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Israelis

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## Saudi Missile Cover-Up Raises Questions on U.S. Intelligence

By David B. Ottaway

WASHINGTON — Using careexcrafted ruses, Saudi Arabia sfully hid from U.S. intellice arencies for more than two is that it had acquired Chinese istic missiles with a range of re than 1,000 miles (1,600 kiloices), according to a diplomatic

fact that Saudi Arabia, inch has such close military and inity ties with the United States, ests a significant failure of

No evidence about the Saudi acation of surface-to-surface misor construction of their sites, picked up before last fall, acing to congressional sources. the Sandis were indeed obtainthe missiles less than two ths ago, according to several

> asive effort to hide it," said one essional source. The diplomatic source said Chiagreed in principle to sell the

ed the deal in Beijing. The first missiles reached Saudi Arabia late last year, the source added.

ly confront the Sandi government with satellite evidence of the 66foot (20-meter) long missiles and their sites until March 6, when Assistant Secretary of State Richard W. Murphy met with Prince Bandar at his Washington home and demanded to know whether Ri-yadh had obtained "nuclear" missiles from China, the source said.

The administration was alarmed by the evidence because the Chinese missile, which the Chinese call the DF3A and the U.S. intelligence community the CSS2-class, previously had been used by the Chinese only to carry nuclear warheads. It had never before been exported.

Prince Bandar reportedly confirmed that Saudi Arabia had obtained the weapons but categorically denied that the kingdom had obtained, or ever sought, nuclear warheads from the Chinese. He told Mr. Murphy that the Chinese

missiles in July 1985 when Prince had modified the missile for Saudi Bandar bin Sultan, the Saudi ambassador to Washington, negotiat- al warhead, a change that reduced the missile's range.

This particular version of the Chinese missile normally travels The United States did not direct-about 1,600 miles. The exact range of the modified Chinese missile Saudi Arabia has bought could not be learned, but it is somewhat less

Having been taken by surprise by the Sandi acquisition of the mis-siles, the Reagan administration now fears that Israel may carry out a pre-emptive strike against them that would complicate Saudi-U.S. relations and destroy any chance for Arab acceptance of the new U.S. Middle East peace initiative,

The Sandi decision to turn to China marks a major turning point in the traditionally close U.S.-Saudi military and security relations, including the sharing of much intelligence information. The Saudis have refused U.S. re-

quests to inspect the missiles to verify firsthand that they do not carry nuclear warheads, telling the See MISSILES, Page 7



Israeli soldiers turning back a car Tuesday at the West Bank town of Kalkilya as the occupied territories were closed for three days.

#### Kiosk

#### U.S. and Japan In Trade Pact

WASHINGTON (Reuters) Faced with the possibility trade sanctions, Japan has regreed to open domestic con-struction projects to U.S. commies, the U.S. trade reprecentative, Clayton Yeutter, aid Tresday.

The agreement was reached lafter a week of intensive talks. details were announced.

oviet Armenians continued protest strikes in Nagorno-Karahakh. Page 5.

ist leaders were zized in Manila. 7.S. investigators of the Iran-contra scandal will not question four Israelis involved in Page 5.

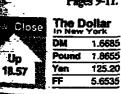
SCC

S. tax loophole is plugged by the IRS. Page 3. thin is selling Rover Group British Aerospace for £150 allion, well below the expect-

Page 13. e European Commission has proved a French governnt plan to relieve Renault's Page 13.



fanures markets move to off stricter rules, money Pages 9-11.



## 2 Top Meese Assistants

WASHINGTON - The No. 2 official in the Justice Department as well as the head of the department's criminal division abruptly resigned Tuesday amid continuing legal problems for their boss, At-torney General Edwin Meese 3d.

Deputy Attorney General Arnold I. Burns and Assistant Attorney General William F. Weld announced in letters to President Ronald Reagan that they were stepping down, with Mr. Weld's

ignation effective Tuesday. The officials provided no explanation for their sudden actions, but a department source said Mr. Meese's continuing legal problems were "definitely a factor."

Mr. Meese has been under criminal investigation since May. The attorney general first

earned of Mr. Burns's and Mr. Weld's plans was when the two men walked into Mr. Meese's office at 8 A.M. and announced they were resigning, the source said. Both men have served since Oct. 17,

Two assistants to Mr. Burns Randy L. Levine and Boykin B. Rose — and two assistants to Mr. Weld - Mark Robinson and Jane Serene --- also resigned.

Mr. Burns's resignation is effective April 22. Mr. Weld's tempo- pipeline project. rary replacement will be John C. Keeney, a deputy in the criminal

the departure of Associate Attor-ney General Stephen S. Trott to pipeline project. Mr. McKay's ofbecome a federal judge, leave a fice is presenting evidence to the leadership vacuum in the Justice grand jury.

Department.

Mr. McKay's probe is in its final Another department source, also phase.

**Abruptly Give Up Posts** ity, said that neither Mr. Burns nor Mr. Weld acted in the belief that

Mr. Meese is about to be indicted. Terry H. Eastland, a Justice Department spokesman. that it is not unusual for political appointees to leave government in the last year of an administration. Mr. Eastland said that Mr.

Burns, Mr. Weld and Mr. Trott, were sworn into their jobs in 1986. This is 1988," Mr. Eastland said. "This happens to be a year when people are leaving and they all happen to be leaving at the same

A White House official confirmed that Mr. Reagan had received the letters, but that he had not yet responded. The official said there was "no reason given" in the letters for the resignations.

Mr. Meese has been under investigation for 11 months. James C. McKay, an independent counsel, is looking into Mr. Meese's alleged role in the Wedtech Corp. scandal. Lyn Nofziger, Mr. Reagan's former political director, was convicted last month of influence peddling within the administration to arrange an arms contract for Wed-

Mr. McKay's investigation has expanded to include Mr. Meese's involvement in a \$1 billion Iraqi

On Tuesday morning, William P. Clark, a former national security ivision. adviser in the Reagan administra-The resignations, combined with tion, was testifying before a federal

## Dole Ends Presidential Bid, Pledging 'All I Can' Do for Bush

Compiled by Our Staff From Disparche WASHINGTON - Senator Bob Dole ended his presidential campaign Tuesday, virtually ensuring that the Republican nomination will go to Vice

President George Bush. The Senate Republican leader's withdrawal from the race left only Mr. Bush and Pat Robertson, the former television evangelist, as contenders for the Republican nomination, and Mr. Bush apparently has an insurmountable lead in delegates needed for

nomination. The field once numbered six. "One thing you learn how to do pretty well in our business is to count," Mr. Dole said in remarks to supporters at the Senate, "You come to trust your nstincts to tell you when it's over. In my heart, I

In the only departure from his prepared text, Mr.

ensure Mr. Bush's election.
Mr. Dole called himself "bloodied but unbowed" and added that he may have been beaten but never

would be defeated. Almost all of Mr. Dole's support now is expected to go to Mr. Bush; some of his backers already have

started to switch their support to the vice president.

Mr. Bush has 788 of the 1,139 delegates needed for the Republican nomination, while Mr. Robertson has only 17, according to a count by The Associated Press. Mr. Dole held 178 delegates. Mr. Dole's call for party unity was a sharp con-

trast to the bitterness shown between the two men early in the campaign. Several times, he has argued forcefully that Mr. Bush could not be elected in

However, Mr. Dole recently stopped making that argument, noting that the most important thing was to make sure that the White House remained in Republican hands.

The senator, who formally declared his candidacy in November, won the the first contest in the primary season, the Iowa caucuses on Feb. 8. However, Mr. Bush rebounded a week later with a solid win in New Hampshire and took the lead for good. Mr. Dole's worst performance came in the 16

Republican contests, mostly in Southern states, on March 8. He lost all of them.

It was Mr. Dole's second campaign for the Republican presidential nomination. The first, in 1980, also ended in failure. The current campaign was marked by internal disarray. The Senate leader was not lined to delegate authority. In November, Mr. Dole brought on former Labor Secretary Bill Brock to run the campaign. But it may have been too late.

Mr. Bush's well-organized campaign staff had been in place for years, and Mr. Dole struggled uphill against a rival who campaigned as the front-

runner and made few mistakes. Mr. Dole tried repeatedly to sur voters into resent-ment against Mr. Bush and his upper-class back-ground, but the assertions by Mr. Dole, a Kansan, that he was "one of us" apparently won over voters only in neighboring Iowa. Mr. Dole also raised questions about Mr. Bush's role in the Iran-contra

affair, but this issue did not take hold. Mr. Bush also had a trump card that he played often: President Ronald Reagan. He ran successfully as the loyal vice president to one of the most popular U.S. presidents in modern history. (UPI AP)

## **ANC's Representative** Is Slain at Paris Office

By Youssef M. Ibrahim New York Times Service

PARIS - The representative of the African National Congress in working-class neighborhood of gian office of the group.

for the ANC, which is one of several anti-apartheid South African

West Africa People's Organization,

the right to political representation in 1981, without diplomatic status. Mrs. September came to Paris from Lusaka, where she had at the organization's offices.

The French police said she was mand in Pretoria said Tuesday that killed with a 22-caliber weapon as four suspected African National she was opening her office door. She was found holding her morning mail in her hand, with two bullet wounds in the head and six cartridge shells on the floor.

The group's treasurer in Paris, Maurice Cukierman, said at the scene that Mrs. September had received several threats against her life during the past eight months and had told the police, "but nothing was done."

spokeswoman declined to confirm recovered, he said.

By Edward Cody

Washington Post Service

or deny whether the ministry had received any requests from the two African groups.

On Sunday, the Belgian police shot and killed on the doorstep of ANC's Brussels office, and in Feb-her fourth-floor office Tuesday in a ruary shots were fired at the Bel-

The South African Embassy in Mrs. September, a 45-year-old Paris issued a statement from the woman of mixed race, has served as spokeswoman in France since 1984 Botha, in which he asserted that the Pretoria government "could not be held responsible for this death." He said he learned about the murder

Tom Sebina, a spokesman at the through the South African ambasorganization's Lusaka beadquar-sador in Paris. the white majority government of South Africa. The South African dential campaign. Representatives of the left and right opposition to conservative government of the conservative governm the Namibian liberation movement Prime Minister Jacques Chirac crit-known as SWAPO, or the South-icized his administration for what they called its lax attitude toward

Mrs. September's security and demanded immediate action to arrest those responsible for her death. worked as administrative secretary 

4 ANC Guerrillas Killed

The South African military com-Congress guerrillas who infiltrated from Zimbabwe were killed in a clash Monday night in the tribal homeland of Venda in the northern Transvaal, The Washington Post reported from Johannesburg.

An army spokesman said the four men were killed after they were trapped on a small island in the Mutala River in the northeast

A Surge of Support for Chirac

## **Impose Blackout** 600 Arabs Are

Reported Held In Crackdown By Glenn Frankel Washington Post Service
JERUSALEM — Israeli troops ringed the West Bank and Gaza Strip on Tuesday as the army began

a three-day blockade of the occu-

pied territories in an attempt to head off Palestinian protests and

smother the nearly four-month uprising.
Defense Minister Yitzhak Rabin
said more than 1,000 Palestinian activists had been arrested in the past week in the army's security crackdown, bringing to over 4,000 the number now held in Israeli pris-

And he warned there would be more arrests and military curfews and further restrictions on Arabs working inside Israel if the uprising, in which at least 112 Palestinians and one Israeli soldier have

been killed, did not cease. Gaza residents were confined to their homes under a total military curfew announced Monday except for one hour Tuesday afternoon when they were allowed out to pur-

chase food and other necessities. Telephone lines to the area were cut for much of the day. West Bankers were allowed to

move freely inside their communities but were prohibited from traveling from one town to another or from leaving the West Bank. None of the estimated 120,000

Palestinians who travel to Israel daily for employment were allowed to go to work. Journalists also were prohibited

from entering the territories except for those who agreed to travel with military escorts and to submit their stories for pool coverage.

A few either entered the territories before the ban took effect or managed to evade army roadblocks

Tuesday.

Residents and other witnesses gions were virtual ghost towns this

afternoon. The only major incident reported by the army was a violent confrontation in the West Bank between soldiers and villagers in Zaita in which five Palestinians were injured by gunshot wounds

Because of the new restrictions on press access, however, it was impossible to verify the army's ac-

Meanwhile, several prominent Palestinians said the outlawed Palestine Liberation Organization had approved a meeting between Arab moderates and Secretary of State George P. Shultz when he returns

to the region this weekend. They said the PLO had authorized the session to show approval of Mr. Shultz's meeting last Saturday in Washington with two Palestinian-Americans who are members of the Palestine National

Last month the PLO had banned Arabs in the territories from meeting with Mr. Shultz, who is seeking to launch a new peace initiative in the region.

Israeli officials denounced the meeting last weekend, saying it violated a U.S. pledge never to meet with PLO representatives until the organization renounced terrorism and recognized Israel's right to ex-

Meanwhile, two army privates were sentenced to prison terms for in which an army bulldozer buried alive four Palestinian demonstra-tors in the West Bank. A military judge dismissed plea

bargaining agreements because he said the incident had "brought corner of the tiny homeland. Ma- shame to Israel," and he gave one chine guns, rocket launchers and a soldier five months in prison and A French Interior Ministry large quantity of ammunition was the other four months, army radio

## Here's a Fresh U.S. Hang-Up Would You Want to be Put on Hold by a Recording?

By Enid Nemy New York Times Service

NEW YORK - Doris Lilly answered her teleme recently and was, as she put it, "paralyzed

A recorded voice announced that it was the billing department of a major hospital, requested that she hold the line and assured her that a representative would be with her in a minute. She's almost certain the pronouncement was

followed by music, but she wouldn't swear to it Strange she was still in a small state of shock about deing called by a message machine.

After a couple of minutes, "There was a clank, clank, clank sound," she said, "and finally a human person came on the line." Lifty, the author of books including "How to darry a Millionaire" and "How to Make Love in 5

metages, is still steaming at the nerve of a tape Mach may be only slightly better — or worse — The in the world of young corporate hotshots. t word of housekeepers for the apartment, es for the children, personal shoppers for

clothes and caterers for parties now has a delegated telephone call that goes a step beyond what was once considered the limit.

That limit, until recently, was the secretary who called, confirmed that you were you, informed you that X wanted to speak with you and asked you to please hold a moment.

The word "moment" was not, of course, to be taken literally (and still isn't); it was a period of time that varied in length. One woman, who used such interindes to pay bills, identified the holding span of each call by the number of checks she could write - she claims she once got up to a 20-But now for the new hotshot practice, a stunner

Miss Smith wanted to touch base and find out how you are, but she's been so busy she hasn't had time to call. She wanted me to give you her regards and rell you that she'll call when things ease up."

Click — before you can say: "What a pity she's so busy. I'm having dinner with Robert Redford

to first-time recipients. It goes something like this:

This is Joan Brown, Mary Smith's secretary.

and Warren Beatty tomorrow and thought she might join us." Or before you can even say, "When See HOLD, Page 7



## Scientists Warm Up To Greenhouse Effect

By Philip Shabecoff New York Times Service WASHINGTON — Average

global temperatures in the 1980s are the highest measured since reliable records began to be kept more than 130 years ago, according to reports now coming in from scientists around the world. Temperatures have been ris-

ing more or less steadily for much of the last century. But, in

the view of some scientists. a

sharper rise detected in the

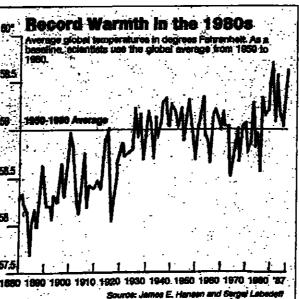
1980s is the most persuasive ev-

idence yet that carbon dioxide

trapping heat in the atmosphere and warming Earth as if it were a greenhouse

In interviews, those plotting global climate trends were cautious about blaming the greenhouse effect for the recent sharp increase, saying that mathemat-ical models of the phenomenon project much sharper increases than have occurred so far.

But several agreed that if the pattern persisted into the next decade, it almost certainly See WARM, Page 7



## ques Chirac, campaigning relent-lessly for the French presidential elections less than four weeks off, has pulled well ahead of his conservarive rival to become the main challenger to President François Mitterrand.

Mr. Mitterrand, who received 39

Surveys Show Him to Be Mitterrand's Main Challenger percent in the same polls — the in the second round that might first surveys since his declaration of have gone to Mr. Barre. For this PARIS - Prime Minister Jac-Socialist president's continued high came down from presidential

Mr. Chirac's surge in opinion polls has come largely at the ex-pense of former Prime Minister matching Mr. Chirac against Mr. Raymond Barre, a fellow conserva-Barre for the right to run against Mr. Mitterrand in the second, decitive running outside Mr. Chirac's Gaullist Rally for the Republic sive round on May 8. Mr. Mitterrand, ending a seven-year term at the age of 71, is the only major i candidate from the left. Mr. Barre, an economist with academic bearing, began the cam-paign with a clear lead over Mr.

arena officially.

French political analysts sug-Chirac, but polls this week showed gested that Mr. Chirac's strong showing against Mr. Barre imon Monday in the first A-320 Airhim with 15 percent to 17 percent of the first-round vote compared to proves Mr. Mitterrand's chances. Mr. Chirac's 22 percent to 23 peropening the possibility that Mr. Mitterrand could win centrist votes

candidacy a week ago — has re-mained the most likely victor. The preference for Mr. Chirac as the president's main adversary and Mr. ratings confounded conservative politicians who had predicted his appeal would wane as soon as he Mitterrand aimed his own early

Mr. Chirac, meanwhile, flew off heights and entered the political in search of more votes in France's possessions of Réunion, off eastern The first round of voting on Africa; Guyana, on the northeast-April 24, has become a primary ern rim of South America; and Guadeloupe and Martinique, in the Caribbean. In an illustration of his energy and full-plunge campaign style, Mr. Chirac, 55, scheduled the four stops on the other side of the globe in just three days and made plans to be back in Paris for Easter, April 3.

> Using the perquisites of office to bus acquired by Air France, salut-

See CHIRAC, Page 2

## France's Le Pen: A Far-Right Harbinger of the Apocalypse

By James M. Markham New York Times Service

AMIENS, France - Like the stand-up comic he sometimes resembles. Jean-Marie Le Pen, attired in a double-breasted blue blazer and gray slacks, strode the stage, a microphone pinned to his lapel. For two hours, without notes. he announced the apocalypse that awaits France if it does not reverse an "invasion" of Third World immigrants.

"This vanguard of millions of foreigners will turn itself into an army and then into a flood," warned the tribune of the ultraright National Front. "France will become an Islamic republic!"

As Mr. Le Pen's silky, sarcastic oratory swept over a rapt audience that had paid \$5 a seat to hear him, all of France's problems were re-vealed to be the fault of freeloading immigrants: unemployment, crime, housing shortages, an overburdened social security system. crowded hospitals and schools where too many children do not speak French.

"France," said the National Front's presidential candidate, bending down at the knees, twisting his face grotesquely and spreading his arms forloraly, "is like an old drunken lady whose purse is wide open and who gives money to whoever passes by Laughter and applause exploded in appreciation for the gifted mimic

ter carried the angry slogans of a tire placed them squarely in more constituency afraid of the future: comfortable income brackets. "The Criminals should get the death sentence and social security should be only for Frenchmen. "Amieus for the Amienois." said the biggest and had come to protest against Amiens was not for the 9,000 Ar- sons. abs. Africans and other immigrants who happen to live here.

As he does across France, Mr. Le neavily working class but that con- National Front leader because they tained more than a sprinkling of were sick of getting robbed by Ar-



Jean-Marie Le Pen, leader of the far-right National Front, delivered folders containing 601 signatures of elected officials who support his candidacy to the Constitutional Council in Paris on Tuesday. Under the constitution, he needs 500 to be eligible to run as a presidential candidate.

Leaning with Churchillian dignity on a cane, a 69-year-old man in a the boldest banner, meaning France's being "run by the Freema-

Teen-agers appeared in large numbers. Three of them — Arnaud Cresset, Cyril Papin and Alex Du-Pen had pulled a crowd that looked bois — said they wanted to hear the

The walls of the convention cen- elderly men and women whose at- abs in the Pigeonnier quarter of gruntled that pollsters say will add vote Socialist in the second round

"The Arabs commit more crimes than the French," said Mr. Cresset, a thin-faced youth with shortcropped blond hair. "But any time a Frenchman commits a crime against an Arab the whole country — television, the media — con-demns him. That's not right."

While other presidential candi-Pen is gleefully putting together a coalition of the alienated and dis-

up to 10 percent or more of the electorate. The former paratrooper, who has

slimmed his chunky frame and adopted a swept-back coiffure that adopted a swept-back confure that is meant to be presidential, has no chance of making it past the first Amiens, an economically deround of balloting on April 24 that will select two candidates for a runabout 70 miles (110 kilometers)

ter — have sought to ignore the troublesome Mr. Le Pen, who thirsts for respectability and complains that his "artisanal" campaign is given short shrift on television. But he sounds like someone keen to strike a deal for his support Mr. Le Pen railed at the municipalin the May 8 runoff. In an interview, Mr. Le Pen ob- rian synthesis in the electoral

mond Barre, a former prime minis- year.

Minister Jacques Chirac and Ray- city hall in municipal elections next

in December, Amiens became

Lionel Peyat, a 33-year-old Na-

Communists were a foreign party," declaimed Mr. Peyat. "Now we

know that it is the party of the

Over the long haul, Mr. Mitter-

against the head of state with spe-

his nickname, Tonton, or Uncle.

Tonton is nonetheless always sit-

"Seated on the French throne,

France, implied Mr. Le Pen, can

group of Iranians expelled to Ga-

When I am president of the repub-

Surge of Support

(Continued from Page I)

ing the country's aeronautical industry and European cooperation that made the new plane possible. The flyover displayed some of Mr. Chirac's advantages in the

quest for the presidency: the head

of Air France, Jacques Friedmann, is one of Mr. Chirac's close friends

and was named to the job by the

prime minister, and the aircraft was baptized "City of Paris," of which Mr. Chirac also is mayor. The frenetic pace of Mr. Chirac's campaign, added to two years of

prominence in the political fray as prime minister, apparently has at-

tracted more support in the opin-ion polls than Mr. Barre's de-tached, professorial style. From the beginning Mr. Barre had deliber-ately stuck to what he called a se-

rene pace, citing the La Fontaine tale of the tortoise and the hare. But Mr. Chirac's aides expresse confidence, even several months

ago when Mr. Barre ranked ahead

of the prime minister, that the pon-

dered image would not stand up to the rigors of a presidential cam-

in the newspaper Le Figaro showed Mr. Barre rilling desperately

fable as an onlooker says: "That's

the 30th time he has checked on the

Mr. Barre declined to discuss his

poor showing in the polls. But he criticized some of his backers who

already talk of how to deal with a second Mitterrand presidency. Among those Mr. Barre was referring to was f rmer President Va-léry Giscard d'Estaing, a leader of the conservative coalition that has

backed Mr. Chirac since 1986. Mr.

Giscard d'Estaing has said he would not favor new parliamentary elections if Mr. Mitterrand wins. Mr. Giscard d'Estaing's remark

meant he would be willing to con-tinue the present "cohabitation,"

combining a Socialist president

and a conservative parliament, or that he would be willing to work with a new centrist majority under Mr. Mitterrand. A high-ranking

Socialist official suggested that Mr. Giscard d'Estaing may be seeking to become prime minister at the

Mr. Barre, who was prime minis-ter under Mr. Giscard d'Estaing,

has opposed cohabitation as un-workable. He said he would call new elections if he is elected.

But candidates and analysts alike have pointed out that about a fifth of the electorate remains un-decided or committed to minor

candidates. This leaves a large bloc of undefined second-round votes

that could disrupt current assump-tions depending on which candi-date finally attracts them.

head of such a majority.

nding of the fable."

**CHIRAC:** 

the first city in France to let for-

served that Mr. Barre and Mr. code. Chirac between them had only 40

Yet it is not at all clear that Mr. Le Pen's long-term interest lies in a victory by either of the conservative front-runners. It was the adoption of a system of proportional representation by a Socialist government that permitted the National Front to get a foothold in Parlia-ment in 1986, but Mr. Chirac's conservative coalition subsequently returned the country to an electoral arrangement that discriminates against small parties.

A triumph by President François cline, he is the Tonton of three Mitterrand, a Socialist, might well Mitterrand, a Socialist, might well million unemployed, six million permit the National Front to surnew poor, six million immigrants, vive, particularly if this meant a of the collapse of our demography return to proportional representa- the Tonton of decadence!

Opinion polls suggest that a return to a golden age of harmony, quarter of the National Front's prosperity and family values if it support comes from disillusioned starts getting rid of the foreigners communists, who probably will in its midst. In the setup to his most applauded line, he recalled that a out of residual loyalty to the left. Many of them live in urban housing projects where immigration is France, and obtained it. dense; classic protest voters, they have rallied abruptly to Mr. Le

off vote two weeks later. But the north of Paris whose glory is the dates jostle at the center of dispersal of his vote could tip the biggest Gothic cathedral in France, France's political spectrum, Mr. Le outcome of the election on May 8. has been governed since 1972 by a So far, the two conservative es- Communist-led leftist coalition, tablishment candidates — Prime but the alliance is expected to lose

#### WORLD BRIEFS

Trillaked

#### Murdoch Wins Ruling on Media La

WASHINGTON (AP) - A law that barred the publisher R Murdoch from continuing to own television stations and newspape eigners elect nonvoting members to the same city was struck down Tuesday as unconstitutional by the municipal council, a move that

provoked truculent protests from The divided panel of the U.S. Circuit Court of Appeals here von provision passed by Congress late last year that would force Mr. the National Front. At his rally, doch to sell the Boston Herald or WFXT-TV in Boston by June ity for "attempting a French-Algecomply with rules that forbid single ownership of a newspaper a television station in one city.

The 2-1 court decision does not affect Mr. Murdoch's \$37 million of the New York Post to a real estate developer, Peter Kalikow, a percent of the electorate in the first round, according to the polls. "In democracy," he said with a sky look, "political science starts with look, "political science starts with the fall. "We always knew that the county of the communications Com his waiver from the enforcement of the common-ownership rule

#### 2 More Die in West German Floods

BONN (AP) - The worst floods in Bavaria in 70 years claimed rand may be Mr. Le Pen's tactical more drowning victims on Tuesday, while Cologne's old town escaped flooding when the Rhine River crested just five centimeters than two inches) below the top of a flood-control wall.

In Würzburg, rescue workers were searching for a van carrying people that witnesses said had been swept away by flood waters from ally, but on the stump the National Front leader turns his acid wit

cial gusto, mockingly employing Main River. In the last week, six persons are believed to have died in Germany in accidents related to the floods, officials said. They said most major rivers in the country had begun to recede slowly.

ting on his derrière," declared Mr. Thousands of people in Bavaria prepared for possible evacuation; warnings that more dikes along the Danube River could break Le Pen. "He is the Tonton of de-Cologne, the Rhine rose to 9.95 meters (32.4 feet) at about 3 AM stayed there, stopping just short of the top of the 10-meter flood we

#### Panel Tells of Racism in U.K. Schoo

LONDON (Reuters) - Racial abuse ranging from offensive graffs violence is widespread in British schools, according to a survey public on Tuesday by the state-funded Commission for Racial Equality. Racial harassment is widespread and persistent and in most a very little is done about it," said Aaron Haynes, the commission's hear

the report, which was compiled after a two-year investigation into situation of the young generation of Britain's ethnic minorities.

Verbal taunts, threats and physical injuries often led to poor presults and even nervous breakdowns among black teen-agers, the regulation of the poor presults and even nervous breakdowns among black teen-agers, the regulation of the poor presults and even nervous breakdowns among black teen-agers, the regulation of the poor presults and even nervous breakdowns among black teen-agers, the regulation of the poor presults and even nervous breakdowns among black teen-agers, the regulation of the poor presults and even nervous breakdowns among black teen-agers, the regulation of the poor presults are the presults and even nervous breakdowns among black teen-agers, the regulation of the poor presults are the presults and even nervous breakdowns among black teen-agers, the regulation of the poor presults are the presul bon "demanded" their return to Mr. Le Pen paused and then, with a sudden fury, declaimed, said. "The perpetrators span the age range from infant to adult include pupils, students, teachers, lecturers and parents," Mr. Hay lic, the foreigners will demand

Botha Overruled in Tribal Land Cas JOHANNESBURG (Reuters) — The South African Appeal Converruled President Pieter W. Botha on Tuesday, ordering that 126, blacks could not forcibly be made citizens of a homeland created & different tribe.

Mr. Botha's decision in December 1985 to make the Moutse are northern Transvaal Province part of the self-governing KwaNdel tribal homeland caused riots the following year in which at least

people died.

Five judges ruled that Mr. Botha exceeded his authority when proclaimed, "for the purposes of administrative convenience,": Moutse's North Sotho tribesmen had become citizens of the home created for the South Ndebele tribe.

## Swaggart Told Not to Preach for Ye SPRINGFIELD, Missouri (AP) — The evangelist Jimmy Swag

was barred Tuesday from preaching for at least a year and ordered ac appear on his television show for a year because of sexual transgressic.

The Assemblies of God church suspended Mr. Swaggart as a minifor two years, effective immediately. A church spokeswoman said meant he could not preach until he has undergone at least one of the years of rehabilitation ordered for him.

The decision by the church's General Presbytery was final.

Louisiana District of the church had recommended a three-month pension in connection with allegations that Mr. Swaggart hired a pre tute to pose naked for him.

#### For the Record

Police in Wolverhampton, England, arrested 60 people Tuesday in v was described as the biggest single sweep against soccer thugs in country. The raids, involving 250 officers and backed by informa provided by a government crime computer, were aimed at gangs of of the Wolverhampton Wanderers, a fourth-division club.

paign. Illustrating their jubilation at the change in fortunes, a cartoon A joint maneuver of 20,000 Soviet, Polish and East German sold will take place in East Germany April 8-15, the East German news ser *DN recorded Tuesday from Berlin.* 

Ghana has dismissed 33 police officers for narcotics trafficking t and armed robbery offenses, an official communique issued in Accra

South Africa hanged seven men, five blacks and two whites, for mr Tuesday in Pretoria, bringing to 36 the number of executions in country this year.

#### TRAVEL UPDATE

#### Spantex, Spanish Charter Line, Fold

PALMA DE MAJORCA (Reuters) — The Spanish charter at Spantax said it was ceasing its activities beginning Tuesday because innancial problems. A spokesman said the close occurred because we in debt." Spantax flies to New York, Miami, San Francisco, destinat in Latin America and all over Europe.

The announcement occurred at the start of the Easter vacation set and is expected to affect about 20,000 tourists. Hundreds of Spant 1,000 employees blocked the entrance to the Palma airport, protesting closure and notice that the company would not be paying March sales.

Strikers at Cyprus Airways agreed to go back to work Tuesday, on a five-day stoppage that stranded thousands of tourists.

(Res

#### Iraq, Saying It Hit Tankers Threatens Chemical Strike

NICOSIA — Iraq said Tuesday military spokesman as saying that its planes had attacked two planes hit two "very large man supertankers off the Iranian coast targets," or supertankers in

and threatened to use chemical ipons against major Iranian cit-

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The official Iraqi News Agency,

There was no immediate of mation of the report, which gr other details. Reports of Iraqi on Iranian tankers are diffic verify because of an Iranian

blackout on such incidents. Nuri Nayer, director of the Coffice of the Iraqi News Agsaid in Cairo, meanwhile, the "authorized Iraqi spokesman told him that "Iraq might cho number of large Iranian cities the targets of chemical weapo

a deterrent and punitive meas Iran contends that Iraq dropped cyanide and mustare bombs on three Kurdish tow Kurdistan, killing 5,000 Kurd injuring 5,000. The attacks of towns, which had been capture Iran, occurred March 16 and



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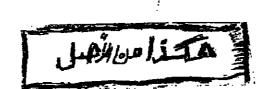
But, there are subtle differences in yields, liquidity, maturity, and depth of the market. There are yet other considerations which may require

tailor-made solutions. Our experts would like to talk to you about them.

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هكذا من الأعل

Racism in U.K.

# Ruling IRS, Provoked by Airline Ad, Plugs Travelers' Tax Loophole Ruling IRS officials found they had the authority to close a lot of leeway on this one."

ment touting a way for U.S. citizens to delay paying their federal income taxes, the Internal Revenue Service closed a long-standing loophole in the law that gave taxpayers who managed to be out of the country on April 15 an extra two months to pay.

The revised IRS rule means that any taxpayer

seeking a two-mouth reprieve from paying taxes
must be out of the country for at least two weeks on
April 15. Previously the taxpayer had to be out of the
country only on that date to qualify. People could
simply fly or drive to Canada or Mexico for the day.
The unexpected move on Monday followed a
recent newspaper ad in which Continental Airlines

said: "If you're not looking forward to paying your taxes, we suggest you leave the country." The addescribed the provision permitting late payment est German Fly

as a "loophole big enough to fly a 747 through."

Bruce Hicks, a Continental spokesman, said that
the advertising campaign, which ended last week. was intended to "draw attention to international travel during a soft travel period" and was "very successful." He added: "I don't think the ad in any way implied that the IRS was promoting that idea at

The provision stated that taxpayers who were outside "the United States or Puerto Rico" on April 15 received an automatic two-month extension both to file their returns and to pay the taxes. The IRS charged interest on taxes due, starting April 15, but no penalties were assessed.

This differs from the automatic four-month extension that is available to all taxpayers. The fourmonth extension gives taxpayers extra time to file their returns, but it does not give them extra time to pay any taxes that are due.

IRS officials found they had the authority to close the loophole without congressional approval. Al-though the IRS usually takes months to draft regula-tions, it churned out the revision in a matter of days.

The unexpected move, coming so late in the filing season, angered many accountants, whose tempers already were strained from coping with all the tax law changes that must be dealt with in this season's

"It's heavy-handed, bureaucratic, rigid and unfeeding," complained Gerald Padwe, national director of tax practice at Touche Ross & Co., a large accounting firm. "If we had been told a month ago about this, there's no question that taxpayers and tax advisers could have easily adjusted. But not on

Although some tax accountants wondered whether the IRS position could be challenged, Albert Ellentuck, a tax partner at the accounting firm of

Sudden action on a tax provision that has been on the books for decades is not without precedent, however. Nothing seems to rile congressional tax writers or IRS officials more than to see a business touting a tax benefit in newspapers.

"That's the kind of thing that gets them," said one longtime accountant in Washington. In 1984, for example, tax writers became so outraged at ads taken out by luxury car dealers promoting tax benefits available for business use of automobiles that they scaled back those benefits sharply.

The IRS issued the revision in a five-page legal notice without any explanation. Asked whether the Continental ad had prompted the change, a revenue service spokesman said that it "certainly contributed

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#### Contras Cut Truce Talks Off and Urge Democracy'

By Julia Preston

SAPOA, Nicaragua — The Nicareguan rebels have cut short a dishission of cease-fire zones with representatives of the Sandinist gevernment, and one field com-mander declared the rebels "will never lay down their weapons until Nicaragua is democratic.

After a meeting in Sapos that lasted less than two hours, the rebel delegation's leader, Diogenes Her-nandez, said Monday, "We don't mean the Sandinistas' Marxist demean the Sandhamberto Orte-morracy, the way Humberto Orte-describes it. The Nicaraguan people want a real democracy like Costa Rica." Mr. Ortega is Nicara-gas's defense minister.

Mr. Hernández's impromptu speech violated an informal agree-ment, reached moments earlier with the Sandinists, that neither side would make political com-ments to reportess after the session, sources familiar with the talks said. Also Monday, a battahon of 700

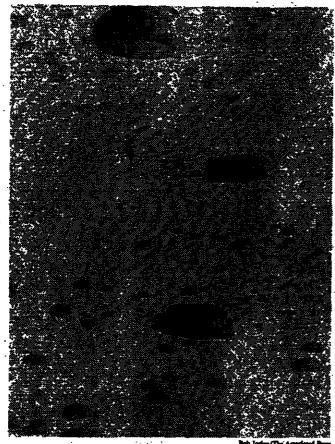
U.S. paratroopers returned from Honduras as the United States began to withdraw its 3,500-man con-

Soldiers from the 82d Airborne Division, the 7th Infantry Division and attached units were dispatched in Honduras by President Ronald Reagan on March 17. All are to return to their home stations at Fort Bragg, North Carolina, and Fort Ord, California, by Thursday.

The meeting in Sapoa was the first session after top leaders of the Sandinists and of the rebels, who are known as the contras, agreed Wednesday to a 60-day cease-fire that is to begin Friday.

The contras appeared to be actand confusion

about the accord among their fight
are in the field and to delay a final



Members of the 82d Airborne Division arriving at Fort Bragg.

cedures until their prospects for aid Talks in Congress Stall from Washington are clear.

Enrique Bermudez, top military commander of the Nicaraguan Re-sistance, the contra alliance, and two contra political leaders, Adolfo Calero and Alfredo Cesar, met Monday in Washington with Secre-tary of State George P. Shultz.

The talks followed weekend meetings in which contra leaders faced sharp skepticism from their followers about the accord. The pact calls, among other points, for the establishment of zones where contra fighters are to gather during the truce. The discussions in Sapoa are intended to designate the location and size of the cease fire zones.

Contra leaders are to travel to Managua for new political negotiations to begin April 6, when their fighters are supposed to have be-

Efforts by Democratic and Republican leaders in the U.S. House

of Representatives to fashion a contra aid package broke down Monday night over Republican de-mands for an early vote on renewed military aid if the peace talks fail, The New York Times reported

Democrats tried to play down the severity of the disagreement in the hope of reaching a solution. Representative Tony Coelho, Democrat of California, said leaders had reached "some general un-derstandings" after the five-hour session, but he acknowledged that

gun gathering into the zones, ac- ful that a plan could be brought to in a report to Congress.

stumbling blocks remained.

## In Venezuela Drug Probe

Aide Resigns

CARACAS — The justice minister of Venezuela has resigned amid allegations that he operated a se-cret police force that was deeply

involved in drug running.

José Manzo González, an origi-nal member of the cabinet that President Jaime Lusinchi installed four years ago, stepped down Mon-day night after the National Congress began investigating whether such a police force was involved with cocaine traffickers or spying

The resignation appeared to have been prompted by videotaped testimony from an undercover police agent who said Mr. Manzo González's secret force, nicknamed Manzopol, was involved in the narcotics trade.

The attorney general of Colombia, who recently proposed the le-galization of cocaine, also resigned Monday after allegations linking his brother to drug smugglers, a Bogotá radio broadcast said.

There was no immediate confirmation from Colombia of the resignation of Alfredo Gutiérrez Márquez. The attorney general's office has just begun a weeklong holiday. Caracol, a Bogotá radio network, said Mr. Gutiérrez offered his res-

ignation in a letter to President Virgilio Barco Vargas after military intelligence indicated that his brother, Libardo Gutiérrez, owned an illegal airstrip where suspected narcotics traffickers had landed. Mr. Manzo González, 64, who

was imprisoned as a political activ-ist during the 1950s dictatorship of Marcos Pérez Jiménez, denied any wrongdoing. He said critics were motivated by partisan politics in an election year. Venezuela has emerged in recent

lombia. Up to 20 metric tons (22 No formal meeting was sched-uled for Tuesday, but Mr. Coelho were shipped through Venezuela to said that discussions would contin-the United States last year, the U.S. ne. The Democrats remained hope- State Department said last month

#### THE HUSTINGS

#### Kemp Endorses Bush, His Ex-Rival

MILWAUKEE (LAT) — Representative Jack F. Kemp of New York has endorsed his former rival for the Republican presidential nomination. Vice President George Bush, contributing to a closing of Republican ranks at a time when Democrats remain divided and contentious. Mr. Kemp became the first candidate who has withdrawn from the race for the nomination to declare his support for Mr. Bush.

"George Bush is going to be the nominee of the Republican party and let me say as one who was involved in the friendly competition, he carned it," Mr. Kemp said Monday at a joint appearance with the vice president.

#### **Robertson Restructures His Staff**

CHESAPEAKE, Virginia (AP) — With less than \$2 million left before he exceeds the federal campaign-spending limit in his bid for the Republican presidential nomination, Pat Robertson laid off his highest paid campaign aide and restructured the rest of his national staff, Mr. Robertson's media coordinator, Connie Snapp, will be off the payroll as of Friday, her aide, Barbara Gattullo, said Monday. Ms. Gattullo will take over most of Ms. Snapp's duties. Ms. Snapp will be a consultant to the campaign. R. Marc Nuttle, Mr. Robertson's campaign manager, also will become a consultant. The day-to-day management of the campaign will be taken over by Allan Sutherlin, who has been secretary and political director of the Republican Party in Indiana.

#### Gore Takes a Few Swipes at Jackson

NEW YORK (AP) — Senator Albert Gore Jr. of Tennessee took a few verbal swipes Tuesday at the Reverend Jesse L. Jackson, one his rivals for the Democratic presidential nomination.

In remarks to a New York civic group, Mr. Gore said that in the campaign: "We're not choosing a preacher, we're choosing a president. The Oval Office is a whole lot more than a pulpit." The statement was streeted by small support.

Referring to a remark by Mr. Jackson, who has called himself "a tree shaker, not a jelly maker," Mr. Gore said, "In the Oval Office, some jelly must be made." He added, "Only a president who knows how big government works can turn soaring rhetoric and lofty goals into pro-

## Republicans Guessing About No. 2 WASHINGTON (AP) — As Vice President George Bush's grip on the

Republican presidential nomination tightens, more and more people are asking the No. 2 question: Whom will he choose as his running mate?

Former President Richard Nixon, in a column that is to published in The Sunday Times of London, suggests the White House chief of staff, Howard H. Baker Jr. He says that Mr. Baker, a Tennessean and a former Sensite president leader would have used in the South and could Senate majority leader, would help draw votes in the South and could assist Mr. Bush in dealing with Congress. Mr. Baker has said that he does not expect to be asked.

years as a major transshipment Others have proposed Governor George Deukmejian of California. center for cocaine produced in Co-But Mr. Deukmejian says he could not accept because he would leave his Others have proposed Governor George Deukmejian of California.

State in the hands of a Democratic lieutenant governor.

Others who have been suggested include Elizabeth H. Dole, the former transportation secretary, who is the wife of Mr. Bush's rival for the nomination, Senator Bob Dole; former Governor Lamar Alexander of Tennessee, Governor Thomas Kean of New Jersey; former Governor Dick Thornburgh of Pennsylvania; and Representative Jack F. Kemp of

## Word Goes Out to Dukakis: Change Message or Face Defeat

By David S. Broder and Maralee Schwartz

Washington Post Service WASHINGTON — The word has gone out to Michael S. Dukakis: Sharpen your message or forget about being the Democratic presidential nominee.

Boston has been all but over-shelmed by calls from Democrats aming that the Massachusetts sovemor must change his tune to that the shump in his campaign.

"When you win," said Mr. Du-Askis's campaign manager. Susan Estrich, "you get a lot of congratustitions. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations. When you lose, you get a lot of congratulations when you lose, you get a lot of congratulations

thanges, if any, she or Mr. Dukakis might make in his speeches and advertisements for the next primary in Wisconsin, but she indicated that no drastic revisions would be

It is important to remember," ds. Estrich said, that we have been been well the last few months convincing voters that Michael Estrich said, "that we have

In Washington, Mr. Dukakis voti said. "I will continue to talk about ly." a strong economic future and good jobs, decent and affordable hous-

crats, is stymied.

California and New Jersey, the two states that vote at the end of the primary season on June?

Senator Bill Bradley of New Jersey, the two states that vote at the end of the primary season on June?

Representative Robert G. Tornically the Dukakis bandwagon last week before it hit a bump in Michigan, said he saw no need or likelihood of a change in Mr. Dukakis "has very little time"

California and New Jersey, the two states that vote at the end of the "Companies don't hire people unsum who was running less they have some idea what they count judgith the job, and voters are the same way about the presidency."

Geoffrey Garin, a Democratic polister, said: "Campaigns fall into of about 100,000 peop routines, and the routine of the Dukakis campaign has not been to an who was running less they have some idea what they same way about the presidency."

Geoffrey Garin, a Democratic polister, said: "Campaigns fall into of about 100,000 peop routines, and the routine of the bandwagon last week before it hit a bump in last week when Representative method of the presidency."

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Geoffrey Garin, a Democratic polister, said: "Campaigns fall into routines, and the routine of the same way about the presidency."

Dukakis has the values and experiyour strength and do what is most ence to take charge of the nation's comfortable for you to do."

left to convince people he's more deliver a strong message but to Several of the consultants also build a better organization than said that Mr. Dukakis has to start

Mr. Dukakis was hoping for a victory in the Connecticut primary on Tuesday to ease the sting of bow he can be anything other than back-to-back defeats in Illinois and Michigan that have shaken his sta-Michigan that have shaken his sta-tus as front-runner. sage that he's done in Massachu-setts a lot of the things American voters seem to want done national-

But many other Democrats said Monday that Mr. Dukakis must ing health care, good schools and a change his strategy if he is to avoid defeats by the Reverend Jesse L. can values."

Can values."

Change his strategy if he is to avoid defeats by the Reverend Jesse L. Jackson in Wisconsin on Tuesday

of of advice. Today, we're getting a fort to have his nomination personal to say what ceived as inevitable, by gaining the hanges, if any, she or Mr. Dukakis endorsements of prominent Demo-California and New Jersey, the two

presidency requires you give people a sense of confidence about their

Representative Howard L. Berman of California, who is uncom-mitted so far, said of Mr. Dukakis, country is going and how govern-ment can improve people's lives."

Several Democratic political consultants outside the Dukakis campaign also focused on issues as — A man was arrested Tuesday in the one area where Mr. Dukakis's the killing of an American Indian campaign is lagging. "He just hasn't provided a compelling rationale for his candidacy," said Greg Schneiders, a media adviser.

Schneiders, a media adviser.

Indian Fierce, 42, a Lumbee Indiwill do in the job, and voters are the for Superior Court judge, was shot same way about the presidency." and killed Saturday. There have

Geoffrey Garin, a Democratic been racial tensions in the county pollster, said: "Campaigns fall into of about 100,000 people, which is routines, and the routine of the 37 percent Indian, 37 percent white

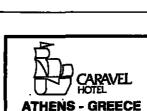
anybody else. That served him well drawing clear distinctions between for a while. It got him the establish- his views and those of Mr. Jackson.

"But he needs the voters to seal many debates involving Democrat-the deal. And to get them, he has to ic candidates in the last nine say who he is, what he wants to do months. and who he's going to fight for as

"He's not talking about where the Suspect Held in Slaying Of an Indian in U.S.

The Associated Presi PEMBROKE, North Carolina

Julian Pierce, 42, a Lumbee Indi-"Companies don't hire people un- an who was running against the less they have some idea what they Robeson County district attorney and killed Saturday. There have



He has avoided doing this in the

"He has to up the stakes in the election," said Harrison Hickman,

a pollster, "without appearing rac-

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## Senate Panel Sees Hitch in Future of INF

By Michael R. Gordon New York Times Service

WASHINGTON — The Soviet-U.S. treaty on medium- and shorter-range missiles may allow each side to field futuristic versions of the weapons, the Senate Armed

Services Committee has reported. The committee said Monday that it was not clear whether the treaty bans missiles that destroy their targets by such means as lasers, particle beams or microwaves, administration on this question." rather than by explosive warheads.

In addition, the panel said it was matter as a "critical issue." not clear whether the treaty would ban the development and deployment of a possible new type of missile known as a hypersonic boost glide vehicle. The treaty, as negotiated, covers ballistic missiles and cruise missiles, but this type of weapon would not clearly fall into either category. Such a weapon, if it were developed, would be boosted into the atmosphere and then glide tration for weeks. toward its target.

The accord, intended to eliminate both sides' arsenals of land-based medium- and shorter-range missiles — those with ranges of 300 to 3,400 miles (500 to 5,500 kilome-and shorter-range missiles that deters) — was signed in December by stroy their targets with such devices President Ronald Reagan and Mik- as lasers. But some mid-level Dehail S. Gorbachev and awaits Senate approval.

fense Department officials have reportedly resisted this view, possibly ministration's position on exotic formal position of the administration weapons, the Senate Armed Sertion.

Senator Sam Nunn, Democrat of in an effort to protect U.S. options vices Committee received conflict Georgia and chairman of the to develop such weapons. Armed Services Committee, disclosed his panel's final conclusions in testimony Monday to the Senate about discional in testimony Monday to the Senate about discional in testimony Monday to the Senate about discional in the senate about the senate abo Foreign Relations Committee.

Mr. Nunn said his committee had sought but not yet received clarifications from the Reagan administration on possible loopholes. "We have not as yet been given a final authoritative definition by the

said Mr. Nunn, who described the

He said that if the administration could not clarify its position, the Senate might have to attach an understanding to the treaty.

Mr. Nunn's committee did not take a position on whether futuristic weapons should be allowed. The issue of whether the accord covers such weapons has been under discussion within the adminis-

Officials at the State Depart-

official said that the issue had been brought to the attention of Defense Secretary Frank C. Carlucci and that he appeared to agree with the State Department position on this question. This official said he did not know what position the admin-

should be allowed. tration that it would shortly clarify Relations Committee decided to firing lasers, would be allowed. put off its final vote on the treaty until Wednesday to await the response, officials said.

ment and the Arms Control and Armed Services Committee had mittee when it met in closed sesvoted 18 to 2 in favor of approving sion, committee sources said. Mr. the new missile accord, assuming Gitman is reported to have told that the issue of futuristic weaponry and other matters of interpreta- would also be banned, though he tion are resolved.

An article-by-article analysis submitted to Congress by Secretary of State George P. Shultz implied that some futuristic weapons would fall outside the scope of the treaty, Mr. Nunn said.

The analysis indicated, for examistration would take on whether a ple, that the treaty does not allow hypersonic boost glide vehicle the testing and deployment of ground-launched cruise missiles Senator John W. Warner of Virthat carry "warhead devices" or ginia, the ranking Republican simulated warheads. Mr. Nunn member of the Armed Services said that this suggested that cruise Committee, said that he had been missiles carrying nuclear or con-informed by the Reagan adminis-ventional warheads would be banned while more exotic variants its position on the issue of futuristic of the weapon, such as cruise misweapons. But the Senate Foreign siles that destroyed their targets by

But Maynard W. Glitman, the chief negotiator of the treaty, of-Mr. Nunn also said that the fered a contrary view to the comwas said to have indicated that this In trying to determine the ad- was his personal view and not the

#### **AMERICAN TOPICS**

#### N.Y. Republicans: A Party in Disarray

More than a dozen prominent New York Republicans have declined to run for senator this year against Daniel Patrick Moynioan. The New York Times says this reflects not only the strength of the Democratic incumbent in his well-financed campaign for a third term, but what many political experts call the disarray of the Republican Party in the second most-populous Ú.S. state.

The Democratic governor, Mario M. Cuomo, easily won reelection two years ago. All major urban areas in the state have become Democratic strongholds. The state assembly is overwhelmingly Democratic, 92 to 58. Although the Senate retains a Republican majority, Senator Alfonse M. D'Amato, the state's highest-ranking Republican, says, "Many of those districts are going to be very difficult to retain as Republican, once those in of-fice now retire."

Kevin Phillips, a Republican

**GO PUBLIC** 

political analyst, says, "It certainly looks like a broken party to me." Eddie Mahe, a political consultant to Republicans, says, "It's

really very sad." The New York Republican Party produced Jacob K. Javits, Thomas E. Dewey and Theodore Rooseveit. Mr. D'Amato is one of several experts who trace the de-cline to the late Nelson A. Rockefeller, governor from 1959 to 1973, who "converted the party and its apparatus into his own. He was the Republican party. and once he was gone, it just began to dissipate.

#### Short Takes

Bisir-Lee House, the federal government's guest house across Pennsylvania Avenue from the White House, has been closed since 1983. It is scheduled to reopen next month. A \$13.2 million restoration, paid for by Congress and private contributors, included enlarging and refurbishing the residence and its heating, cooling and security systems.

When President Ronald Reagan and his wife, Nancy, showed up for the annual Washington press corps Gridiron Club dinner last week, they rounded off an eight-year record of perfect atten-dance at these annual spoofs and satires of the powers that be, in-

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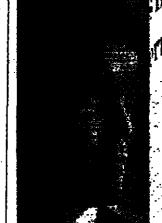
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cluding themselves. Carl T. Rowan, the columnist on black politics who is club president, told The Washington Post that the Reagans came "in good humor and grace, in what had to be terrible times for them as well as times of triumph. We in the chib want to say something about that. I like people who don't run for the tall grass when they're in a little

A pair of musk oxen have been flown by the U.S. Fish and Wildlife Service from Fairbanks, Alaska, to the Beijing zoo. They replace a pair originally presented by President Richard Nixon in 1972. The pandas given by the Chinese continue to thrive in the Washington zoo, but the Nixon oxen turned out to be aged and infirm, and soon died. Their successors are described as hale and hearty.

Stars of both classical and popmiar masic will perform at New York's Carnegie Hall in a tribute to Irving Berlin on his 100th birthday May 11. Mr. Berlin, who wrote the words and music to such hits as "Alexander's Ragtime Band," "Always," "There's No Business Like Show Business" and "White Christmas," lives a few blocks away but is in frail health and is not expected to attend.



signed last month as secretary c the navy to protest budget cal backs, The New York Times it ports that assertions were here in the Pentagon that he was not team player. Mr. Webb replied "Lemmings are great team players, and see where they end up."

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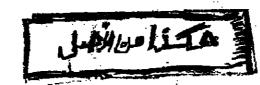
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#### Armenian Strike For Prague and East Berlin, Echoes of Glasnost in the Streets Goes Into 2d Day in Nagorno-Karabakh

My report today will be short,"

workers in Stepanakert had stayed

home from their jobs. Certain enterprises are not functioning or are partially not functioning," he said.

Nagorno-Karabakh, a region in Azerbaijan that Armenians want amered to Armenia. Activists said agneral strike began last Wednesasy in the mostly Armenian area.

In a separate report, Izvestia proin a separate report, izvestia prorided the first breakdown of casuillies in Sumgait, an Azerbaijani
city where ethnic rioting broke out
Feb. 28. It repeated the official were Armenians while six were

Activists have asserted that the Activists have much higher.

In Ya. Mr. Gerasimov said residents of the Armenian capital,

Yerevan, the Armenian capital, sent to work as usual. He reiterated that the government would not

"We cannot solve the problem MOSCOW - Residents of a dis- by mechanically transferring this region in the republic of region as some Armenian officials therian shut down their main want," he said. "The more you The a second day Tuesday to study this problem the more you will see the whole thing is not as miler the region to neighboring simple as that, as merely saying milenia, a newspaper said. Nagorno-Karabakh must be part Nagorno-Karabakh must be part of Armenia.

P. Gntiontov, a correspondent to said the police broke up a demonstration by the government newspaper Izvestia said the police broke up a demonstration Monday in Yerevan by more than 50 people who were demanding freedom for an impris-The Foreign Ministry spokes oned Armenian activist, raryur Arikian, and carrying signs saying, man, Gennadi I. Gerasimov, also Arikian, and carrying signs saying, "We don't believe in perestroika,"

or reconstruction. The dissident, Tamera Grigoryants, said she received her information about the protest in a telephone conversation with members of a committee promoting Armenian self-determination in Yere-

The police did not interfere with an earlier demonstration in Yerevan by more than 100 people, but dispersed the second group, she

Officials have outlined a cultural and economic development plan for Nagorno-Karabakh, apparently to compensate for not meeting the Armenian demand to annex the

The newspaper Sovietskaya Kul-tura said Tuesday the plan would cost up to \$640 million.

It said there was almost a complete absence of schoolbooks in the ed that the government would not beforced into appeasing Armenian demands to annex Nagorno-Kara-dents of Nagorno-Karabakh could not receive Armenian television.

men involved in the private bus

industry in Manila. The victim, Ru-

ben Saulog, was slain while he and

his wife were on their way to

severe divisions within the party,

urban strategy and also over

putting more emphasis on the legal,

above-ground parliamentary strug-

#### >= 2 Communist Leaders Seized in Manila Raid

By Keith B. Richburg

林逵

Washington Post Service
MANILA — Two leading offirials of the outlawed Communist OFFIG Party of the Philippines were ar-ested Thesday, military officials sid. They said this constituted a A semificant blow to the guerrilla

The arrests, on the 19th anniver-The arrests, on the 19th anniver-tory of the founding of the party's somed wing the New People's marked the military's most ignificant catch since Rodolfo Saman, was seized in September 1986.

The past year has been frustrat-A struggle was the military in its struggle regist the insurgent movement, which recently began launching larger-scale attacks in the countryside while increasing the tempo of nations in the cities.

The two leaders captured we The state of the Central mittee, and Benjamin de Vera nior Central Committee mem-They were arrested with a least four others during a raid on a girl safehouse in the Mamila sub-in of San Juan.

A seventh suspect, identified as Napoleon Manuel, alleged to be a sopistics officer" for the New Peo-le's Army, was arrested in a sepa-tite military raid on another safeuse in suburban Quezon City. In ie two raids, military officials said ary confiscated automatic weapons, hand grenades and computers

This is the product of intense COMMERSATVEIllance by the intelligence community," said Lieutenant GeniNDUSTE and Renato de Villa, armed forces
REAL This is another big tanking personalities who have object of a nationwide

> Sources said Mr. Baylosis and Mr. de Vera, while not in the inner arcle of the Politburo's five-meme executive committee, were e the movement and develop current strategy of stepped-up an warfare. It was believed the temporarily could disrupt

source suggested the Comwork of safehouses throughou Mania, which might delay plans to escalate their attacks on select miliy soverment and foreign dip c targets in the city.

More than a hundred people Communist hit squads, called now units," since the start-up the recent urban guerrilla war he campaign in February 1987. his followed the collapse of a s and the government.

On Straday, two gummen sus-tied to be Communist rebels as-

obel Prizes to Increase 15% to \$428,000

FOCKHOLM — The Nobel

oundation, after record-breaking mindation, after record-breaking moits, is raising the amount of its mind prizes by 15 percent to 2.5 milion knonor (\$428,000), the head of the foundation said Tuesday. The executive director, Stig Radia the foundation established by Alfred Nobel's testament 1356 increased its assets last year 1.3 billion kronor, up from 816 minos kronor, Last year's prizes Whon kronor. Last year's prizes Te each worth 2,175,000 kronor.

P2 percent from 1986.

and doctrinaire allies, are facing new challenges from church and dissident groups that seek greater political freedom by advocating Mikhail S. Gorbachev's calls for

More than 100 activists have past two months for staging human rights demonstrations in which Gorbachev, the Soviet leader, and by Rosa Luxemburg, one of the more open expression.

In Czechoslovakia, more than 400,000 people have signed a petition in support of freedom for the Pravda extolling the virtues of reforms in East Germany. Roman Catholic Church and hun- form. dreds of people have taken to the streets in recent weeks to demon-

according to East-bloc analysts. allies. But his words have done East Germany. founders of the Communist Party nothing to dampen the enthusiasm in Germany, as examples of how of East German and Czechoslovak socialism can be fortified through dissidents, who seem to relish the dissidents, who seem to relish the have to do so?" an East German discomfort they cause for the au- Politburo member replied last year thorities by quoting passages in the to an interviewer's question about Gustav Husak, 75, by Milos Jakes, Communist Party newspaper the relevance of Mr. Gorbachev's the rest of the leadership remains

strate for the cause, braving arrests fied their latest crackdowns by as- opinion from abroad and does not sition, dissidents in East Germany

But in East Germany and to the influence of West German East German party members and Czechoslovakia, acceptance of So-radio and television, fears that re-Western diplomats. vict-style reforms would be tanta- laxing restraints on its 17 million mount to rejecting orthodox poli-citizens could diminish popular ac-

Mr. Gorbachev himself has de- last year, the authorities have ruled leadership has adopted a version of they cited pronouncements by Mr. clared that "different paths to so out any application of the Soviet Mr. Gorbachev's economic reform cialism" may be followed by Soviet policy of glasnast, or openness, in program. But it has rejected signifi-"If your neighbor changes his open expression because of the

East German officials contend no political liberalization should be

The opponents of reform in that their society already receives a expected under his tenure.

Prague and East Berlin have justibroad range of information and In the face of government and beatings by riot police. serting that the dissidents are warp-require any further expansion of Other East-bloc governments, ing and descrating the message of political expression at home.

The Czechoslovak leadership was installed after the purge of the cies closely identified with the ceptance of Communist rule.

Communist leadership in both While a record number of at least who sought to introduce in 1968 been arrested in East Berlin in the countries for the last two decades, 1.5 million East Germans received many of the policies Mr. Gorbapermission to travel to the West chev now promotes. The present

cant political reforms and more

wallpaper, does that mean you also threat they may pose to its survival. Despite the replacement in December of the Czechoslovak leader, intact. Mr. Jakes, 65, has said that

> In the face of government oppo and Czechoslovakia have found a

By William Drozdiak

Washington Post Service

BERLIN—The governments of East Germany and Czechoslova
Kia, two of Moscow's most loyal

such as those of Poland and Hungary, have confronted protests calling for more freedom and economing for more freedom and ec East Germany and Czechoslovaic changes. They have responded in prived of the progressive maintain a rigid orthodoxy and part to the demands by embracing amosphere prevailing in Moscow.

They have responded in prived of the progressive maintain a rigid orthodoxy and protest groups, while the Roman atmosphere prevailing in Moscow.

East Germany, already exposed open political debate, according to the demands of the progressive maintain a rigid orthodoxy and younger cadres who favor more catholic Church in Czechoslovaand doctrinaire allies, are facing some of Mr. Gorbachev's reforms.

East Germany, already exposed open political debate, according to the progressed. has taken up the struggle for religious freedom

> "Only 7 percent of the people here can be called Christian," said Gunter Krusche, the head of the Berlin believe he may be in trouble, Lutheran diocese in East Berlin. gregation shows how much frustration there is now in this society,"

Protestant churches received concessions from the East German government in 1978, allowing them

Now reformers are increasingly turning to the church to seek greater political freedom at home.

The problems of the authorities in East Germany and Czechoslovakia have been exacerbated by recent internal party clashes.

Egon Krenz, the East German Polithuro member in charge of internal security, once was considered as likely to succeed Eric Honecker. But he has suffered a loss in stature, and some analysts in East

Mr. Honecker, 76, has led East "But the huge growth of the con- Germany since 1971. He appears to be in good health, but the apparent lack of a successor has raised new questions about the country's longterm direction.

East Germany's state security to operate more freely. In the early apparatus, known by the abbrevia-1980s, they became a refuge for tion Stasi, faces uncertain leaderanti-nuclear groups opposed to the ship following the dismissal of deployment of Soviet missiles in Markus Wolf, the chief of foreign espionage. Mr. Wolf's political enemies reportedly attacked him by seizing upon his reputed arrogance and libertine life-style.

## Israel Strikes Deal on Iran-Contra Case

By George Lardner Jr. and Walter Pincus

Washington Past Service
WASHINGTON — Lawrence Walsh, independent counsel in the Iran-contra affair, has agreed to drop his efforts to subpoena four major Israeli participants in the scandal for access to Swiss bank records and other Israeli government documents, according to Is-

The details came to light Monday after terse announcements by Mr. Walsh's office and the Israeli Embassy that more than 12 months of difficult negotiations had result-

ed in an agreement.

Both sides said the agreement covers the cooperation of the government of Israel in the Iran-contra investigation" but declined to disclose the terms.

In abandoning his pursuit of the Israeli witnesses, Mr. Walsh will be unable to call Amiram Nir, until recently a special adviser on terrorism to the Israeli prime minister. Starting in November 1985, Mr. Nir was in regular contact with Lieutenant Colonel Oliver L: North, a former White House aide, analysts said, partly because of de-bate over the wisdom of the new and Mr. Nir became the Israeli liaison for the shipment of U.S. arms whether the Communists should be to Iran in 1986

Colonel North, who was indicted March 16 on criminal conspiracy charges stemming from the diverwere beginning to unravel. Colonel North told the Iran-contra committees that he and Mr. Nir had reached agreement on joint U.S.-Israeli operations that were to be funded from the arms sales profits. The three other main Israel par-ticipants, who will not be available

for questioning, are:

• David Kimche, former director-general of the Israeli Foreign Ministry, who in July 1985 pro-posed the first arms-for-hostage swap to Robert C. McFarlane, then

the U.S. national security adviser Jacob Nimrodi, an Israeli arms merchant and former Defense Ministry attaché in Tehran who oversaw the 1985 Israeli shipments of U.S. arms to Iran and handled

the funds generated by the sales.

• Al Schwimmer, who carried a personal message from Shimon Peres, the former Israeli prime minister and now the country's foreign minister, to President Ronald Reagan. Mr. Peres helped seal the 1985 shipments with a July 1985 visit to the White House. "We are very glad we finally

reached a compromise," said one Israeli official. "We have said from the beginning that we were willing to cooperate fully." The Swiss bank records of Israeli

government has maintained that no funds passing through those accounts were diverted to support the Nicaraguan rebels, one of Colonel North's main projects. But the records are believed to know a support to to store commissions on tax-excords are believed to have reflected empt private donations to the con-

the Israelis did not want to disclose, according to Israeli sources.

In a related development, Representative Jim Wright, the speaker of the House, said Monday that he was unaware that one of his consultants had once tried to sell weapons to the Monday that he was unaware that the Monday that he was unaware that one of his consultants had once tried to sell weapons to the Monday that he was unaware that the was the Monday that he was the matter to the Iran-contra congressional committees. The lobby-

The consultant, Richard M. Mr. Wright in his deposition, and Pena, made three trips to Central no evidence has come to light that America with Mr. Wright last year the lobbyist advised the speaker and early this year, advising him on that he had been questioned about the cease-fire talks with Managua, the matter by the Iran-contra comaccording to a Wright spokesman.

Mr. Wright said that any approach Mr. Pena may have made

Romb l

on selling arms to the contras did not take place while Mr. Pena was working for him.

government accounts that Mr. R. Miller, a public relations execu- Agency reported.

sion of arms sales profits, tried to get Mr. Nir to accept responsibility the flow of funds generated by the flow of funds generated by the Uruguayan and Chilean arms composed when the secret operations according to sources. The Israeli ucts — including cluster bombs,

other covert Israeli operations that tra cause. Mr. Miller pleaded guilty the Israelis did not want to dis-

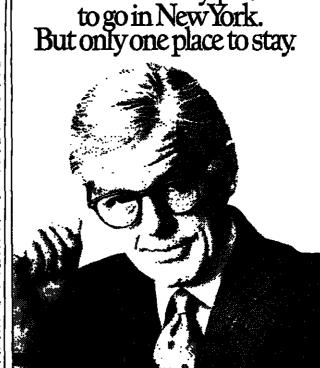
to the Nicaraguan rebels through with Mr. Miller about supplying an offshore company that, it turned some arms to the rebels after Conout, was working with the secret gress renewed military aid to them contra supply network of Colonel in mid-1986.

Mr. Pena made no mention of

Bomb Kills 2 Turkish Boys

rorking for him.

ISTANBUL — Two brothers,
The Associated Press reported age 12 and 10, were killed on Tuesthat on Aug. 15, 1986, less than a day when a unexploded shell they year after leaving a job with the found on a military firing range in House Foreign Affairs Committee, the Patnos region of eastern Turkey Mr. Pena wrote a letter to Richard went off, the Anatolian News



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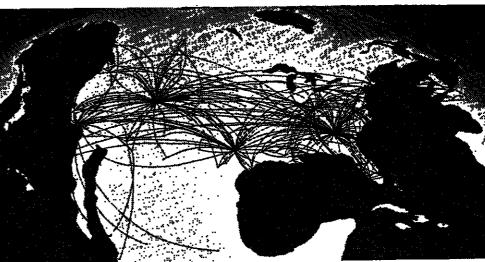
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Wayne Cousar, Captain.

# Herald INTERNATIONAL Cribune. Published With The New York Times and The Washington Post

## The Test in Armenia

The "new thinking" of Mikhail Gorbachev on the ethnic crisis in his country has come to a pause of sorts with a reassertion of the old formula of centralized power. After a month's deliberation, the Kremlin rejected a demand for transfer to Soviet another Soviet republic's territory, it could Armenia of a district in neighboring Azer- be satisfied only by a step that would create a baijan, banned further protests and sent in similar grievance in Azerbaijan - and, as the the army. It then sought to meet with economic and cultural concessions some of the contributing grievances that had brought a chev meets this challenge will be more immillion Armenians into the streets, precipitated battles between Armenians and Azerbaijanis and reminded the world of the Soviet Union's ethnic divides.

Mr. Gorbachev already had his hands full trying to make his new policies of openness and restructuring work in the cultural, economic and foreign fields. In the education in Soviet ethnic realities that all of us have received in the past month, however, it has this issue. But it has chosen not to put the become clear that these new policies are at the heart of the ethnic strains now revealed in the Caucasus. To get the Soviet Union movthe Caucasus. To get the Soviet Union mov-ing again, people have to be encouraged to show initiative. But it is precisely in that new space that the unrest has flowered. Armenia has become an issue in Soviet nationalities policy, and also in the overall struggle between the competing goals of Soviet soci-

ety's modernization and the regime's control. The record of ethnic tensions in different places shows that there are no magical solutions, only arduous treatments. In the case of the specific Armenian demand for part of Kremlin noted, might ignite similar demands elsewhere. That is why the way Mr. Gorbaportant to his standing than the actual measures he takes. As a political leader he cannot reasonably expect to "solve" the historic Armenian question, but he must show fairness and firmness in a combination that satisfies

different Soviet constituencies.

With its radio broadcasts the United States has plugged an information gap that the Soviet authorities allowed to open on rivalries are time bombs, and they tick almost everywhere. Americans can take a certain comfort in seeing a Soviet leader preoccupied by a problem of this sort, but it is best to take that comfort quietly.

- THE WASHINGTON POST.

#### From China to Arabia

Many countries produce intermediaterange missiles capable of carrying nuclear warheads; none have sold them to Third World states - until now. The Soviet Union is reported to have sold its 800-kilometer-(500-mile-) range SS-12 missile to Iraq. which is using the weapon with a conven-tional warhead to murder civilians in Tehran. Equally disastrous is China's decision to sell its 3,500-kilometer-range East Wind missile to Saudi Arabia. The United States needs to do all it can to dissuade China from delivering these missiles.

From Saudi Arabia, the Chinese missiles can reach Israel, the Soviet Union and Egypt. Given their lack of pinpoint accuracy, they make military sense only when fitted with nuclear warheads. Their deployment will therefore create a volatile environment; in a crisis, a nation like Israel might be

tempted to strike pre-emptively.

China piously protests that it will never sell nuclear warheads to the Saudis. But by introducing such missiles into international arms trade. China hastens the day when they will be acquired by countries with nuclear capability but no delivery system. China's role looks no better when likely Saudi uses of the East Wind are considered Fitted with a conventional high-explosive

warhead, the missile is not sufficiently precise to threaten military targets. Its only practical use is against cities, in just the way that SS-12 and shorter-range Scud missiles are killing the people of Baghdad and Tehran. The East Wind is a terror weapon.

China is also suspected of having supplied nuclear weapons information to its ally Pakistan, which is trying hard to build a bomb. It has sold or winked at the sale of Silkworm missiles to Iran, knowing that they would be used to threaten oil shipments through the Gulf. Beijing's only evident principle is cash on the barrelhead.

It is up to the Saudis to decide whether they want to set a precedent that their rivals might follow. It is for the Chinese to decide whether an arms export policy hardly distinguishable from Moammar Gadhafi's fits the image they wish to project.

The Reagan administration can let Beijing know that the missile sale endangers exports of U.S. military-related high technology to China. Administration officials can stress to Riyadh that the missiles are bound to affect American thinking about Middle East security. Washington will have great difficulty getting the two countries to reverse themselves, but it makes sense to try, and try hard. - THE NEW YORK TIMES.

#### A Party's Identity Crisis

and obscure. Jesse Jackson's impressive campaign for the Democratic nomination. That atavistic habit does a disservice not only to the man but also to the vital political process in which America is engaged. Mr. Jackson is the black candidate for president. But he is, just as distinctively, the least abashed proponent of the approaches of the Democratic Democrats for at least the past eight years, Party of the 60s and 70s. He is a gung-ho and perhaps for the past 12, have been strugredistributor in his domestic views, with apnot worked. In foreign policy he accepts the old McGovern formulas and more.

Many of Mr. Jackson's opponents seem to have some of the same instincts, but it's hard to tell because they mouse around about them. Their candidacies have been weakened and in some cases have faltered in part on this apparent lack of conviction.

In the Michigan caucuses in which he did so well last Saturday, Mr. Jackson's strength continued to flow predominantly from black districts. But, as in the other states where he finished strongly, he got enough white support to let him claim that he is more than a one-race candidate. Perhaps more to the point, no other candidate

was able to generate anything like the total support that he did. The numbers are em-phatic. In the field in which he now finds himself, Mr. Jackson clearly won. Period.

Race will be a difficult and double-edged issue for the Democrats for the remainder of the nominating process. But in its way it is only a corollary to another question. The gling to reposition themselves and to figure what, in a modern world of clear ed resources, they are for. They continue to do so, and the nomination of a candidate is the most important way they decide.

For Michael Dukakis, Michigan was a different kind of news. Before the balloting there had been much talk of an aura of inevitability around his candidacy. Now the question is reversed: To what extent can this management-minded, newer Democrat turn the voters on? The clearest casualty in Michigan, however, was Richard Gephardt. Hav-ing banked heavily on the trade issue and lost in a state that has to be as receptive to that theme as any, he has sensibly withdrawn and will seek re-election to the House.

- THE WASHINGTON POST

#### **Exit the Trade Issue**

One big surprise in the primaries has been the absence of votes for trade protection. There has been a lot of concern about the economy in general, but protectionist legislation has not been winning elections for its authors and promoters. Because the Democrats' trade bill is now in conference, the primaries have been having an unusually direct influence on current legislation — and it is an influence very much for the good. In South Carolina. Bob Dole and Pat

Robertson both endorsed a grossly protectionist textile bill that is now moving slowly through Congress. But in the Republican primary on March 5. it was George Bush who won, and by a wide margin,

On Super Tuesday, three days later, it was much the same. Of the Republicans, the vice president cleaned up once again. Among the Democrats, one winner was Jesse Jackson, who has kept his distance from protectionist causes. Another was Michael Dukakis, who has talked in general about the need for occasional restraints on imports but has not embraced either the textile bill or the Gephardt amendment. The third winner was Albert Gore, who had indeed pledged allegiance to the textile bill. But the clear loser was Richard Gephardt, whose campaign from the start had been based on resentment

of imports and his amendment to force other countries to reduce their trade surpluses. Michigan had seemed favorable ground for protectionism because of the automobile industry and a powerful labor movement. In deference to that apparent reality, Mr. Dukakis shifted, in emphasis if not in substance, by repeating his support for retaliation against foreign countries' trade barriers. That is the Senate's compromise

substitute for the Gephardt amendment, and Senator Donald Riegle of Michigan is one of its authors. Mr. Dukakis endorsed Senator Riegle's amendment, and Senator Riegle endorsed Mr. Dukakis's candidacy. Not that it did him much good. When the votes were counted last weekend, Mr. Dukakis was far behind Mr. Jackson, and Mr.

Gephardt was a poor third. Back in Washington, the conferees on the trade bill had warily put off the hardest decisions until after Super Tuesday. On the hardest of the hard they procrastinated until this week, after Michigan. There is still a lot of uphill work to be done on the bill, but it will not be quite so difficult as it had seemed at the beginning of the month. It is no longer plausible to claim that the election is going to turn on the trade issue.

- THE WASHINGTON POST.

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#### **OPINION**

## Lo, Democracy Is Still Alive and Kicking

PARIS — A decade ago it was possible — indeed, fashionable — to believe that liberal democracy was finished. Western Europe was believed to be sliding leftward, the Soviet Union was the ascendant power, and the United States,

humiliated in Vietnam, was in fateful decline. Alexander Solzhenitsyn lectured the West on its impending collapse. As a Russian, he said, he felt himself looking at the West as if he were looking "back 70 years to see our [Russian]

past suddenly repeating itself."
In 1975, Henry Kissinger feared that the United States would become "an isolated fortress island in a hostile and turbulent global sea, awaiting the ultimate confrontation." Its survival would depend on manipulating "various Com-munist centers of power against each other."

Willy Brandt saw democracy drowning in a sea of totalitarianism. The writer Walter Laqueur believed liberal democracy to be "on the retreat all over the world." A Trilateral Commission study reached much the same conclusion.

Western Europe was said to be on its way to "self-Finlandization." Communism was held to be moving toward power in Italy, France and Spain. Midge Decter, the conservative essayist, said in 1976 that, with Italy and France, we presently contemplate the defection of two key allies ... to the enemy camp." Spain was confidently expected to resume its interrupted civil war the moment General Franco died.

All of this, we can say today, was nonsense. The Soviet system is on the edge of "an abyss"
— in the words of its own leader. The U.S.S.R. is in humiliating retreat from Afghanistan. Com-munal and national unrest beset its Asian and Baltic republics. Its East European allies

are bankrupt and directionless.
West European liberal democracy prospers.

By William Pfaff

The Italian Communist Party is demoralized and more distant from power than ever. The French Communist Party is a living fossil of an antediluvian political age, an object of historians' and sociologists' research. Spain happily became a constitutional monarchy the moment Franco died; its Communist Party split into factions, none of much consequence. Britain, Europe's sick man in the 1970s, encountered Margaret

Thatcher and has never been the same. This is noteworthy not simply because the prophets were wrong but because there was a reason for their errors. It has become habitual to use political concepts and a language that tie every current debate to ultimate historical and human issues. That makes it difficult to see things as they are. Political controversy takes on a hysterical edge. A lost argument, or lost congressional vote,

is treated as if a political civilization were at stake.

This is totalitarian thinking. It is a legacy of the totalitarian experience of the 20th century. Because Hitlerism was about thousand-year Reichs and racial destinies, and Leninism foresaw time fulfilled and history come to an end when communism was achieved, others, having to take Hitler and Stalin seriously, went on

to take up thinking in the same way.

The language of every U.S. presidential candidate, for example, strains toward the apocalyptic phrases and promises of John Kennedy — of "any sacrifice" and "any risk." But any risk for what? President Reagan not long ago sent four bat-talions of the 82d Airborne Division to Honduras because he is convinced that the fortunes of the free world ride on whether the contras overthrow the Sandinist authorities in Managua. An

earlier generation looked on American adven-tures abroad with greater cynicism. Finley Peter Dunne's Mr. Dooley described the United States as saying to the "poor, dissolute, uncovered wretches" that it intended to better: "We propose f'r to larn ye th' uses iv liberty ... We can't give ye anny votes, because we haven't more thin enough to go round now; but we'll treat ye th' way a father shud treat his children if we have to break ivry bone in y'er bodies."

Miss Decter, on the other hand, wrote in the most recent newsletter of the imposingly titled Committee for the Free World that Congress's recent cutoff of aid to the contras was "a day that will live in infamy," like the day of Pearl Harbor. Of those in Congress who voted out of forthright sympathy for the Sandinists, she said, "We must suppose an all-forgiving God may somehow ex-tend to such people the mercy that we ourselves in any case can never feel."

The political enemy will be hounded across the grave. Yet a decade hence, when Mr. Reagan and his successor both are gone, it is not unlikely that events in Nicaragua and Honduras will have fallen back into the geopolitical obscurity they occupied before the 1970s. The American political class has a short attention span, and this is not always bad.

When everything is an "ultimate confrontation," nothing is. The main reproach to be made to those who load ultimate values onto each passing issue is that they treat time as a loop, where all we have to know is what we already know; the enemy is never new. But time is not a loop, and it is dangerous to act as if it were. While one learns from the past, one must also leave past behind to discover that each new decade is new terrain, uncomfortably unmapped.

International Herald Tribune.

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## Missiles: Steps That Might Check Proliferation

By François Heisbourg

LONDON — The announcement that Chinese-built intermediaterange ballistic missiles are to be de-ployed in Saudi Arabia is a spectacu-lar manifestation of a trend that augurs fundamental geopolitical change. The missile sale symbolizes a watershed between the post-World War II era in which the big military blocs dominated the strategic scene, and a complex, unstable period of

redistribution of military power. The Chinese CSS-2 missiles are a major addition to the accumulation of weapons of mass destruction in the Middle East and South Asia.

 Israel, Syria, Iran and Iraq are known to have operational ballistic missiles. Iran and Iraq have fired more than 100 Soviet-designed rockets at each other's cities in recent weeks. The CSS-2 missiles purchased by Riyadh will represent a quantum leap in performance, with a range I estimate to exceed 2,400 kilometers (1,500 miles), covering an area from Greece to India.

• Ballistic missiles figure prominently in the array of delivery vehicles for chemical and nuclear warheads, as well as for the conventional payloads to which they have been confined in the conflict between Iran and Iraq. Those two countries, as well as Syria and possibly others, are building chemical warfare capabilities. Iraq has already used its chemical arms.

 India detonated a nuclear device in 1974; Israel is believed to possess nuclear weapons; and Pakistan, like India and Israel, has been operating nuclear facilities capable of producing weapons-grade lissionable material, free of international safeguards. So the human costs of an escalation of warfare in the Middle East are

RANKFURT — March 23 was

dent Reagan's "star wars" speech. And last Sunday, March 27, was the

second anniversary of the signing of a Memorandum of Understanding

(MOU) between Washington and Bonn on participation of German

contractors in the Strategic Defense Initiative. Similar SDI agreements

were signed with the governments of

A central hope expressed by German and British proponents of SDI participation was that the MOUs

would lead to fair partnership and free exchange of technological know-how. This has not happened.

The MOUs did not relax restrictive

U.S. rules. The technological one-way street did not become a two-

way street. The SDI agreements en-

sure that the United States receives

rights to use the technology devel-

Third World have been proposed.

They include overpopulation, de-pendence on agricultural exports, social and cultural disruption aris-

ing from modernization, the legacy of colonialism and the ravages of

capitalism. The most obvious expla-

nation, corruption, is often ignored.

Corruption has a devastating, corrosive effect on society. It condi-

tions reactions to other problems in

a way that impedes their solution

There tends to be a correlation

between official corruption and the

level of government employees'

salaries. In Southeast Asia, Singa-

pore is noted for its intolerance of

official venality. It is significant

politicians, civil servants and mem-

bers of the security forces.

and increases their gravity.

For a Campaign to Combat

Venality in Southeast Asia

By Syed Hussein Alatas

SINGAPORE — Many explana-tions for the condition of the contracts, licenses and performance

that Singapore pays some of the this, the media and scholars of Asia highest salaries in the region to its should take the initiative.

ers of the security forces.

The writer is professor of Malay
In some other Southeast Asian
studies at the National University of

countries, where government sala-ries are much lower than in Singa- to the International Herald Tribune.

oped under SDI contracts.

Britain, Italy, Israel and Japan.

the fifth anniversary of Presi-

is declining. The emergence of major new weapons suppliers like China and Brazil, independent of the mili-tary alliances, makes conflicts such as the Iran-Iraq war increasingly impervious to outside influence.

Yet the superpowers' interests will become increasingly vulnerable to high-intensity conflict in the Third World. The Soviet Union cannot feel safe with the use of chemical weapons multiplying on its southern flank. Nor

dia and Japan are bound to have political and sometimes military im-plications. But the truly dangerous trend toward the spread of ballistic new set of powers in the Middle East and Indian Ocean regions. China's essential motivation in selline military hardware in these regions

may be economic, but this will lead to a steadily broader Chinese political role in these areas. Indeed, it is easier for China to make diplomatic incur-sions in a region like the Middle East, where it has no declared enemies, than in its own backyard, where the fear of

regional hegemony is too strong for ANTH 1

can Moscow be complacent about Israeli Jericho-2 or Saudi CSS-2 missiles. Similarly, the United States cannot savor the prospect of ballistic missiles and chemical weapons being used by, or against, its Israeli ally or its Arab friends in the Gulf, with the ultimate

threat of nuclear escalation. climbing rapidly. The same would be true of a conflict in South Asia.

At the same time, the influence of the superpowers on regional conflicts

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the MOUs would give their compa-nies a better chance of getting SDI business. This has not happened, ei-

ther. The economic results are mea-

ger above all for British firms and

According to an authoritative Pen-

tagon list, non-U.S. contractors have

received \$127,161,000, or about 1

percent of all SDI awards. As of the

end of last year, West German enter-prises and the University of Stuttgart had received \$50.5 million. That is

roughly the share of all SDI contracts

The Thatcher government report-

edly hoped for contracts worth half a

billion dollars over five years. In fact, British firms got much less than the

Germans: about \$30 million so far.

The French example shows that the MOUs are practically irrelevant.

awarded to the state of Utah.

of other government services.

So society becomes the victim of

corruption. One of the most debili-tating effects is that people feel

powerless to do anything about it. Yet graft is not a traditional part of

the Asian way of life. Rather, it is a violation of Asian values.

Raising government employees' salaries would help reduce official

dishonesty. But the only really ef-

fective solution is to have political

leaders who are clean themselves,

and determined to fight corruption.

mate for public pressure, the anti-

corruption heritage of Asian history

should be revived. Since venal rulers

cannot be depended upon to do

To create a more conducive cli-

research institutions.

Beijing (or indeed Tokyo) easily to establish strong political positions. The Indian government, for its

part, is rapidly expanding its military, with a newly acquired Sovietbuilt nuclear-propelled submarine, locally developed ballistic missiles, modernized aircraft carriers, and A chain reaction of conflict in the state of the art MiG-29 and Mirage-ing to such a conclusion, the techno-diddle East is one of the more plausible scenarios for a direct superpower confrontation. The transfer of large is traditional confines.

tracts amounting to \$10.4 million.

which is about the same sum that

Italian firms got. The French govern-

ment not only refused to sign an SDI

this U.S. military program.

reement, it has been very critical of

Another expectation, especially in

West Germany, was that countries actively involved in the SDI would be able to influence the course of the

SDI debate in the United States and

the entire program itself. Again, aside

from some minor points on the rhe-torical level, neither the controversy

in the United States nor the consider-

able restructuring of the SDI budget

has been shaped by the MOU states. Two of the three fears that oppo-

nents of SDI participation had ex-

pressed turned out to be unjustified. The MOUs did not affect East-West

trade negatively, nor did they lead to a drain of resources and manpower

from the civilian to the military sector.

The third fear has to be taken more

seriously, namely that SDI participa-

members of Congress who want to undermine the ABM agreement.

tries have annoyed and to some extent

share their arms control objectives.

SDI opponents and skeptics such as

Senators William Proximire and J.

Bennett Johnston or Representative

Charles E. Bennett have accused the

opposing the "star wars" program vig-orously because they have "literally been bought off" (Senator Proximire).

A sober look back shows that the

debate about joining or not joining the

SDI was a phantom discussion con-

sisting of unrealistic expectations and

partly exaggerated fears. Results have

been skimpy in terms of contracts.

The underlying fear of major West

European states was that they might be doomed to technological inferior-

ity if they did not join the "techno-logical Marshall Plan" — recalling

At the same time the MOU coun-

By Bernd W. Kubbig

Bonn and London also hoped that By the end of the last year, French the MOUs would give their compa-

ban on production and stockpiling of chemical weapons should be given the high priority they deserve.

• The issue of nuclear proliferation deserves the same prominence on the international agenda that it had after

nomic success achieved by China, In-

missiles, and of chemical and nuclear

be addressed vigorously, as follows:

Negotiations for an international

weapons in areas of conflict, needs to

the Indian nuclear explosion of 1974. Ballistic missile proliferation must be dealt with seriously. Efforts to limit the spread of relevant technologies should not be confined to those Western countries that have essentially agreed to such limits. Moscow and ing should be invited to participate in a collective endeavor. They have

little to gain in having neighbors equipped with long-range missiles. The United States has been a driving force in attempting to limit the spread of ballistic missile technology. It is surprising that the Chinese-Sau-di deal, which was in the works for some time, apparently did not elicit a strong U.S. response. Such an artitude would undermine the credibility of the declared U.S. policy of limiting the transfer of ballistic missiles and

corresponding technologies.

The unchecked spread of missiles along with nuclear and chemical weapons proliferation, may be the shape of the future. But before bow-

basic fears are likely to recur.

fences are simply too high.
In the arms control area the West

ing nuclear and conventional issues.

General Secretary Mikhail Gorbachev

would then have been less successful

## SDI Partners: Much Ado About the Wrong Issue

the "American challenge" debate in the late 1960s and early '70s. These Moscow would have to pers What Western Europe needs is a the Afghan Communists to ac determination to come of age — to develop a coordinated, effective highnon-Communist control of the p

tech policy of its own, instead of dreaming of getting the goodies from a foreign, military-oriented program. The marginal results of the SDI agreements have shown that the military route is the wrong one for a civilian high-tech policy. The security European states would be better off now had they not wasted so much time - up to a whole year - debating a subordinate topic, instead of discuss-

peacekeeping force desirable. in challenging the Western alliance with his various proposals. And the chances of developing an overall stra-tegic concept — a Gesamtkonzept — in the West would have been greater.

The writer is a research fellow at the Hessische Stiftung Friedens- und Konfliktforschung in Frankfurt. He

#### tion is an indirect contribution to expand the arms race in space. Both Bonn and London have said repeatcontributed this comment to the Inter-national Herald Tribune. edly that they want the Reagan adeministration to abide by the strict interpretation of the ABM Treaty. But by signing the MOUs and there-by facilitating the acquisition process of SDI contracts, both governments played into the hands of lobbies and

#### 100, 75 AND 50 YEARS AGO

1888: Senate Trade Bill

NEW YORK -- In the Senate today March 29], Mr. Farwell, of Illinois, introduced a bill authorizing the President, when the United States representatives fail to secure the weakened those in Congress who removal of discriminating duties against any products of the United States, to proclaim the exclusion from the United States of such products as he may deem proper. The bill gives similar power to the President West European governments of not in regard to animals, so as to protect the animals of the United States from infection and contagion.

#### 1913: Balkan Success

PARIS - [The Herald says:] That the Balkan allies are as united as the Powers are divided is manifested in the determined manner in which they continue the war after Europe has "solemnly warned them that it must stop." After Adrianople, the Bulgarian forces are now free to concentrate their efforts on the lines to the east, with Mexico is merely a first st

not another "Note" which will pr the allies from treating with Ti before the walls of Constantinop

1938: Leaning on Mex

and if they break through them

WASHINGTON - Despite of denials that the U.S. governmen any intention of bringing presse bear upon Mexico to repeat [March 19] decree expropriation foreign-owned oilfields, the U. States has definitely withdraw helping hand which for years he sisted the Mexican government solution of its political, financia economic troubles, it was learne March 29]. It was revealed from unimpeachable source that unit Mexican government offers a factory solution to the questic expropriation, increasing fina pressure will be applied from the of the frontier. An official stated the discount of the frontier of the frontier of the frontier of the frontier. the discontinuance by the U

## Programme Progra Don't Blog The Afgha Settlemer

By Selig S. Harris

N EW YORK - America have lost the opportunity gotiate a Soviet withdrawal fro ghanistan, by making unrealists minute demands for changes

pending United Nations peace a
Washington has asked Mosc
acknowledge defeat in two inc ible ways: by cutting off milita to the Communist government i bul and by agreeing to a new re dominated by Islamic fundam ist resistance leaders, in which munists would be excluded.

Yet Moscow has not been d ed. The costs of the occupation been increased by stepped-up ons aid to the resistance, but Me has not been compelled to disc by military pressure. What it to a stalemate rather than a defea

\ Ja

Assessing costs and benefits, hail Gorbachev has given g weight to the diplomatic and po costs of the occupation than d-predecessors. The UN accord h fered a face-saving way to remov Afghan issue as a domestic po irritant and as an obstacle to proved relations with America. ern Europe, China and Iran. The UN formula does not

Moscow in the position of cone defeat by abandoning its client pullout is balanced by a termin of U.S. aid to the resistance. B noring Soviet aid to Kabul th cord recognizes that Moscow more of a stake in adjacent Afg stan than Washington does. In the mistaken belief that the sians must leave, the Reagan adn tration demands a "symmetrical" off of military aid in return to U.S. aid cutoff. Foreign Mir Eduard Shevardnadze last week n ed a proposal for a one-year so sion of Soviet and U.S. military, Establishing a neutral interim erriment would cancel the Soviet tary aid issue: Communists no k would control the Afghan a

forces. But this would require time a new readiness to accept Afghan litical realities by both sides. Moscow is disenchanted with Communists but is likely to insirecognized status for them in a terim government. A Literatur Gazeta article ridiculed the "fals lief" that they could extend power to the whole country. B stressed that Soviet troops had been sent in vain, since "there is no threat ... of an extremist h lem regime prepared to take its paganda and practices onto the t

tory" of Central Asian republics Soviet readiness to leave reflect assessment that the Commun would survive as a political for While they might not prevail, h cow reasons, they would be st enough to prevent an anti-Soviet damentalist regime. This assesss is likely to prove correct. The C munists have 40,000 hard-core a ists who would continue to man secret service after a pullout.

armed forces, paramilitary forces. takeover underrate the deep divis takeover underrate the deep days in resistance ranks between fur mentalist and tribal elements.

Regrettably, Washington has ported the demand of the fundan talist-dominated resistance allia for an interim government under aegis, barring any Communist pa-ipation. The United States she support Pakistan's proposal for a gime in which power is equally di ed among resistance leaders, C munists and Afghan exiles not id ified with Kabul or the resistance

dency, armed forces, police, secret vice and key ministries. The for king, Zahir Shah, is ready for a o tion on these terms. Most resisti leaders from tribal factions and I Afghan refugees would follow his Some Islamic fundamentalist tions would oppose a neutral re-These elements represent a minori Afghans, most of whom practice fundamentalist forms of Islam.

fundamentalist "death squads" w pose a problem, making a small Moscow says it will withdraw ly-nilly. But without a UN at ment, it would be likely to make a partial withdrawal. More im tant, it would be free to carry the into Pakistani territory directly o proxy. The U.S. interest clearly it

the prompt conclusion of the care constructed United Nations acco The writer is a senior associate

Carnegie Endowment for Interna al Peace. He contributed this com

**OPINION** 

# Jesse Still Has Some Selling to Do New York — That night, Governor Mario Cuomo was making a witty speech. Senator Bill Bradley was spending a quiet evening with his family. While those two intellectual stars of the Democratic Party were doing what comes and Third World zealous abroad. Mr. Jackson Could with the sterile time is short for the campaign to win the white voters where the personal profession is prefer — making in size and the profession in the profession was doing what he happens to prefer — making as if every Third World country represented virtue against Western devilry, stop giving twisted figure. Western devilry, stop giving twisted figure.

Massachusetts. Mr. Jackson may have won Michigan, but the very next day Mr. Dokakis came right back punching. That happened in Connecticut, when a

reporter asked him what made him more qualified than Mr. Jackson to be president. The governor summoned up his political courage and said right out: 'I'm not going to answer that question." So here we have the state of the Dem-

ocratic Party as it enters the critical phase of the nomination campaign: 1. The most noted Democratic officeholders have decided they are too modask too frightened or too delicate to fight to become president: Mr. Cuomo. Mr. Bradley and Senator Sam Nunn.
2. One Democrat who does want to

lead the country, Mr. Dukakis, decides he is good enough to take on Mikhail Gorbachev, but not Jesse Jackson. He may be right. After that piece of post-primary pusillanimity it is up to him to prove otherwise.

3. But just as the Democratic Party is making George Bush look stimulating, here comes Jesse Jackson. He is not noubled by the vapors, like the elegant noncandidates. He is not afraid, like Mighty Mike, to tell us exactly why he is better than any competitor.

If Mr. Jackson keeps rolling, picking up delegates, a few more important states and 15 to 20 percent of the white vote, he will win the right to demand a place on the ticket. If he cannot get the presidential nomination, his delegate strength rould put across another man, maybe een the demure Mr. Dukakis. Then surely Mr. Jackson will have the right to name a vice presidential candidate: himself. Nervous Democrats say that good old lesse wouldn't do that, he is too mature and responsible now. They say, why, Jes-se knows a black would kill the ticket.

Really? Mr. Jackson may come to the defensible belief that it is neither immainre nor irresponsible to think that the qualities that made him a historic figure in the primaries would do the same on election day. Mr. Jackson has shown to his everlasting credit the truth about America: Millions of white Americans are ready to vote for a black candidate. But he has cut himself off from the support of even more white Americans, iberals and centrists, who would be eager to vote for a black candidate. They see him as the candidate of the left and as a

> Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

man willing to take any reasonable risk,

Western devilry, stop giving twisted fig-ures about U.S. economic conditions,

ON MY MIND

stop sending the mixed social message that individuals must help themselves but that it is all society's fault.

He would have to cut himself off publicly from the black racist Louis Farrakhan and the Farrakhans of the world. He would have to stop seeing this as something white people try to force him to do because he is black, but see it rather as something he must do because it is right. He must come to see that it is one

thing to advocate a Palestinian state, another to embrace a Yasser Arafat. sworn by covenant to the destruction of

distinct left than they were when George McGovern gave them that opportunity. Incidentally, isn't McGoverniam something to which Mr. Dukakis ought to give a little worried thought?

At the Washington dinner where Mr. Cuomo spoke, there was talk among Democrats tired of livin' with Mr. Dukakis and scared of dyin' with Mr. Jackson about drafting Mr. Cuomo or Mr. Bradley. There was even more anger at the governor and the senator for sitting it out. Mr. Cuomo graciously stuck it to all the Democratic candidates with a dig or two.

Meanwhile, in Michigan, Mr. Jackson had better things to do with his time. Bravo, Jesse Jackson. He showed what a real live politician can do.

The New York Times



## How to Talk to Christopher Of Drugs, Sex and Cursing

By Dawn Sangrey

BEDFORD HILLS, New York — see this movie with our 8-year-old son Christopher, whose friends had raved about it. I see their point: It's a perfect movie for third-graders full of diagret movie for third-graders full of diagret and the second states and the second states are set to be a second state of the second states and the second states are set to be a second state of the second states are set to be seen to be s for the third, cramming their apartment full of beautiful, sexy people who laugh and dance the night away. At last the cake is cut and the guests depart, leaving

MEANWHILE

behind an especially luscious young woman to spend the night with one of the hosts. He is a notorious Don Juan. His less-fortunate roommates console themselves. Next morning, a beribboned basket appears at the apartment door. Inside is an adorable baby girl and a note from her mother that names the philandering bachelor as her father. Thus begins one of the most popular U.S. films of the season, a comedy called "Three Men and a Baby." We went to

changing jokes. It also has a trick end-ing, which the kids probably missed. After the three men have learned to

care for the baby, her mother reappears and wants her back. How can they keep the baby? For a few minutes, the film flirts with the time-honored solution. I actually thought Tom Selleck was going to tell Ted Danson to make an honest woman of her. Instead, they per-suade the mother to move in to their bachelor pad, where she and the baby will have rooms of their own.

"Three Men and a Baby" includes cursing, sexy talk, a very tame love scene and a lot of infant female frontal nudity. I don't object to Christopher's hearing nde language or seeing naked babies.
But I wonder what he makes of the offhandedly promiscuous, pleasantly uncommitted life style of the adult men.
When I was a kid, we weren't allowed
comic books or dirty words or movies

with sexy scenes in them. (My husband likes to say I grew up in a closet.) We read "The Bobbsey Twins" and "Five Little Peppers." We watched "Lassie" and "Ozzie and Harriet." These tame amusements were designed to keep us out of the adult world and to give us something to think about. When we finally inherited the earth, we would know how to behave and how to make things better. No one has such lofty ambitions for

children now. We take them to watch grown men make peop jokes and play out the fantasies of an aging yuppic. Caring for a baby is no more complicated than playing with a doll. Having sex with lots of partners is charming, funny and fun. A respected elder at our local church

once advised me that using illegal drugs was just something kids these days had to go through, like having their first pimple. Perfectly nice parents still say the same thing about teen-age sex, as if their children were immune to the sleaze of sleep-ing around or unable to catch the AIDS virus. But not everybody talks this way

I once interviewed a mother of teenage sons who lives on a mountain ranch in the Northwest. She told me how she had talked to her boys about running wild. "I explained that this is your seed." she said. "And if a young girl comes to sne said. "And it a young gri comes to me pregnant with your child, we will take that girl in, and you will help raise that baby, my grandchild. Because if you're old enough to make a baby, you're old enough to be responsible."

I blush to recall how superior I felt to that mountain woman. I thought I was a freethinker and she was a mude My own.

freethinker and she was a prude. My own son was still in diapers. Now, as I consider what I will say to Christopher about his sexual responsibility, I find myself trying out her words in my mouth. They taste

The writer is author of a book about women and marriage. She contributed this comment to The New York Times.

## A Jackson Nomination Could Hold Promise, Not Disaster, for the Party

By Tom Wicker

WASHINGTON — Jesse Jackson's nearly 2-to-1 victory in Michigan has thrown a lot of Democratic Party leaders, most of them anonymous, into an orgy of weeping, wailing and gnashing of teeth. Having finally perceived the truth of what they had been only pretending to believe — that Mr. Jackson is a real candidate, winning a lot of delegates — these payalogs leaded. delegates — these nameless leaders now tell reporters that their party of proportional representation, all candi-

 Mr. Jackson might win the nomina tion in the primaries, in which case a black at the top of the ticket would mean certain Democratic defeat in November. But if these unnamed leaders somehow "stop Jackson" and nominate

someone else, infuriated blacks will de-sert the party, which therefore would lose in November anyway and face a future without one of its largest and most reliable voting blocs. Baloney. Even after Michigan, Mr.

Jackson is not likely to win the nomination in the primaries. Michigan was a has to the 2,082 needed for nomination. The task is complicated by the 646

strongly motivated Jackson supporters gave him an advantage (of the same kind Pat Robertson briefly gained in the Iowa Republican caucuses). That will not be true in New York, Pennsylvania, Ohio, California, New Jersey and other major states still to express a preference.

Under the Democratic Party's system

In any case, Jackson will have the delegates to assert his own interests.

dates can win some delegates in each state. With Michael Dukakis and Albert Gore very much in the race and Paul Simon hanging on, it will be hard for even a charismatic candidate like Mr. Jackson to move from the 518 delegates he now The task is complicated by the 646

At Worst, One Presidential Campaign Away

D RESIDENT Jesse Jackson? Unlikely sons as a child was that "we" could not be L —but not preposterous. In the 1880s, president.) But his campaign was the first white Southerners united with ex-slaves mobilization of what became the New Deal majority, as he prepared the way for in a Populist movement that put economic common interest above color. The Franklin D. Roosevelt. And he opened movement was eventually split because the whites were conned into accepting up the possibility that John F. Kennedy was to realize more than 30 years later: that a Catholic could be president. The not so improbable truth is that, at worst, Jesse Jackson may be one presiracial superiority instead of pork chops.

Mr. Jackson is building an interracial coalition. It is a long long shot — but no more ridiculous than an aging second-rate actor becoming president in 1980, But suppose he fails, which is still likely. He might be this generation's Al Smith. Smith was defeated for the president in 1018; nor heavy he was a long to the presidency in 1018; nor heavy he was a long to the presidency in 1018; nor heavy he was a long to the presidency in 1018; nor heavy he was a long to the presidency in 1018; nor heavy he was a long to the presidency in 1018; nor heavy he was the long to the presidency in 1018; nor heavy he was the long to the presidency in 1018; nor heavy he was the long to the presidency in 1018; nor heavy he was the long to the presidency in 1018; nor heavy he was the long to the president to the dential campaign away from breaking down the deepest political prejudice in American society. It is hard to imagine a less quixotic campaign.

- Michael Harrington, co-chairman of the Democratic Socialists of America, dency in 1928, in part because he was a Catholic. (One of my first political leswriting in the Los Angeles Times.

"superdelegates," mostly officeholders who are theoretically uncommitted but unlikely to swing massively to Jesse Jackson. If any large number of them is subtracted from the available total, as they must be, Mr. Jackson's ability to pick up about 1,500 more delegates be-

comes even more questionable.

But suppose he does? Granted that he will have done so only among Democratic primary and caucus participants; yet the very fact of his victory would suggest that he would not be so certain a loser in November as unidentified leaders now insist. So does their admission that voters are listening to Mr. Jackson's "message," that he speaks powerfully to the real problems of real people.

I have signed my name to several columns suggesting that a black could not yet win a national election in the United States; I still question it; but if Jesse Jackson can carry the Democratic electorates not only in Michigan but in the two most populous states, plus Ohio, Pennsylvania and New Jersey, I am willing to think again — not least because I remember party "leaders" telling me in the spring of 1960 that a Roman Catholic could not win.

Besides, the Republicans are not nominating Ronald Reagan but apparently a candidate still vulnerable to charges over the Iran-coutra scandal, and whose main asset in Republican primaries, his clutch on Mr. Reagan's coattails, could be a liability in a national election. If anyone is inevitable, it is hardly George Bush.

But suppose Democrats do openly choose the first black presidential nominee, and that he does lose. That still would fulfill an important party role giving voice to the formerly voiceless. It would break down one of the most formidable remaining barriers to equality of citizenship. It would transform politics in

1988, owing to Mr. Jackson's sharp departure from the established, often irrelevant norms of public discourse and political vision. It might open an even eater future to the party of Roosevell,

Truman, Kennedy and Johnson.

What is actually likely to happen is that no Democrat will win in the primaries, and that there will be a brokered nomination and a compromise candidate: Mr. Jackson will surely have the delegates and the political ability to assert

"stop Jackson" tactics designed to de-prive him of his due will surely backfire. The ticket finally chosen may include Mr. Jackson in one place or another but it is more important that it be fairly chosen. If it is, and if he and the other candidates are the "mainstream Demo-

his own interests; and any transparent

crats" they say they are, such a ticket should drive no one from the party, and might be a promise rather than a disaster. The New York Times.

LETTERS TO THE EDITOR Too Long at the Bar

A Zimbabwean Response Regarding "These Days the Men at Farrell's Bar Don't Vote" (March 17): Some of the observations made in the

report "Terror in Zimbabwe" (March 9) call for clarification.

There has been a marked hall in dissident activity in Matabeleland since the signing late last year of the unity pact between the ruling party of President Rob-ert Mugabe and that of Joshua Nkomo. Zimbabwe acknowledges the contribu-

tion of its white farmers. But it must be noted that since independence, peasant agricultural output has made huge strides. For crops like maize and cotton, production is nearly half the national harvest. To assert, as a Western diplomat is quoted as saying, that the whites seem to have hired the blacks to run the govern-

ment," implies a we-they situation be-

tween the government and the private sector. Nothing could be further from the truth. Not only does the private sector work closely with the government, but the government actively participates in some of the country's major economic enter-prises, through joint shareholding. I might also point out that the Parliament still has some 20 white members.

E.O. MAMUTSE. Press Attaché, Embassy of Zimbabwe. Paris.

You mean the white, working-class men of Farrell's Bar are dull-eyed and slack-jawed with apathy? Too much television and self-pitying grumbling with the boys are more likely to have produced the effect. After all, in the United States, elected and elector come from the same cauldron. They are us. There are places in the world where the people are sharp-eyed and ready to go. Staring out the windows for hours at the changing world is a retreat from life not to be sympathized with.

KELLY COLGAN.

Case of the Missing Series

Wilborn Hampton, in "Inspector Maigret: The TV Case" (Feb. 25), implies that the planned "Maigret" series will be something novel for television. But he omits any reference to the excellent BBC series produced in the late 1950s. I hope the new series will do as well.

JOEL McCORMICK. Hong Kong. vaguely familiar and almost right.

GENERAL NEWS

## U.S. Is 'Outraged' At Panama Beating

Compiled by Our Staff From Dispatches through the city's strike-bound WASHINGTON — The White commercial center before troops House on Tuesday expressed outrage at attacks on reporters and opposition leaders by Panamanian troops and warned that U.S. pa-Manuel Antonio Noriega had its stration.

"It's always been a principle that we will protect American citizens as best we can," said Marlin Fitzwater, chief spokesman for Presi-dent Ronald Reagan. "And while en with truncheons and gun butts The have said that we don't plan to as they were dragged away. go in militarily, it's also important to note that there are limits.

The warning, which he said was not intended to raise the possibility of military action, followed a sug-Bestion by a Panamanian envoy in Washington that a U.S.-led commendo raid might be the best way to oust General Noriega.

Several U.S. journalists were Paten and detained on Monday ty's largest hotel as opposition

The Americans apparently were released later but a number of Panamanians were still being held. Mr. Fitzwater said that most injuries to Americans "do not appear too serious" but said a Los Angeles Times reporter he did not identify might Myz been more seriously hurt. "I just want to express the out-

Noricea regime is showing its true 1. A 1. A 16- Acts colors. It is desperate and afraid of its own people and a free press." At the Panamanian Embassy in Washington, Juan Sosa, the ambassador, told reporters that the de-Posed Panamanian president, Eric Arturo Delvaile, had formally said the United States and other countries to take any action "justified to get Noriega out."

Asked if he was suggesting Gen-tral Noriega be assassinated, Mr. Some replied: "No, it could be a sen of the National Aeronautics frontations and loss of life."

with Noriega regime despite these readings showed that the average beavy handed efforts at intimidaglobal temperature rose about as much since the base period as it did The hotel raid, shortly before 6 from the 1880s to the base period eccurred a few hours after — about half a degree in both more than 3,000 protesters chant- cases. Dr. Hansen stressed that "Noriega Out!" marched these were estimates and that it

sent them fleeing with volleys of tear gas and water cannon.

organize the march had been reported detained during the demon-The exact number of detainees was unknown, but U.S. diplomats said they believed the figure ranged

At the same time, plainclothesmen ransacked the hotel offices of CBS News, ABC News, and NBC News, carrying away videotapes, address books, and files, staff

from a dozen to as many as 50.

The chief target of the hotel raid appeared to be the National Civic Crusade, an anti-Noriega coalition of more than 200 business and civic groups whose general strike has helped bring Panama's economy to



a standstill. (Reuters, NYT, AP) In Panama City, anti-Noriega protesters flee from tear gas fired by the defense forces.

#### WARM: More Scientists Back the Greenhouse Effect

(Continued from Page 1)

would mean that an era of global warming, caused by humans and certain to affect them in major ways, has begun.

How hot is the world now? The scientists do not offer a straightforward response, saying that the vast amount of data still is being studied and that comparisons cannot be precise. But the data gathered by U.S., British and Soviet scientific teams generally show a faster warming so far in the 1980s than in the century before. And most of the readings agree that the three or four warmest years on record occurred in this decade.

One scientist, Dr. James E. Hancommando-type unit to arrest him, and Space Administration's Insti-which probably would be the best tute for Space Studies in Manhatalternative and would avoid confrom 1950 to 1980, when the aver-Mr. Fitzwater added, "The peo- age global temperature was 59 deple of Panama as well as the leaders grees Fahrenheit (15 degrees Centiarrested yesterday have demon- grade) as a base to determine Strated their determination to take temperature variations. He said his much since the base period as it did would take millions of measurements to reach an accurate global

Mathematical models project that at the current rate of buildup of the gases thought to cause the greenhouse effect, the average global temperature will rise from the 59-degree base by 3 to 9 degrees Fahrenheit (1.6 to 5.04 degrees centigrade), with increases substantialgreater at higher latitudes but er near the equator.

Dr. Hansen said the temperature was increasing in this decade even as natural factors were keeping surface temperatures lower than they might have been. These factors, he said, are relatively low solar radiation and high volcanic activity. which produces particles that tend to filter solar rays.

As Earth warms, experts predict dust bowls, sharply reduced crops and dying forests could result in some relatively barren areas might become farmlands. Tom Wigley, director of the Cli-

matic Research Unit at the Univer-

major changes in climatic patterns sending carbon dioxide and other and a gradual rise in sea levels as gases that trap radiation from the polar ice melts. Coastal flooding, sun, including chlorofluorocarsome regions. On the other hand, If the models are correct, that New York, said, "If the last few

on the ocean as well as on land, found that 1987 was "the warmest year on record" and that the three warmest years in the record were 1987, 1983 and 1981.

He said in a telephone interview that while some of his data supported the predictions of the greenhouse models, others did not. For one thing he said, the temperature levels in the higher latitudes of the Northern Hemisphere did not rise as fast as the models predicted.

But he said that if "the next 10 years are as warm or warmer, it would be very hard to deny the greenhouse effect," adding, "It is very hard to deny now." Both Mr. Wigley and Dr. Han-

sen said temperatures taken by So-

viet scientists were similar to theirs. Meanwhile, human activity is bons, methane and nitrous oxides. into the atmosphere at faster rates.

#### Radio Bans Song on Army

JERUSALEM — Istael's army-run radio station banned a protest song critical of government policy in the occupied territories, the director of the station said Tuesday. "It attacks Israeli soldiers," Colonel Nahman Shai said of the song "Shooting and Crying," written and sung by Si Hyman, an Israeli pop singer. Ms. Hyman said she wrote the song after a Feb. 5 incident in which Israeli soldiers buried

four Palestinians alive.

One verse says: "They shoot and cry, burn and laugh. When did they learn to bury people alive? They shoot and cry, burn and laugh. When did they forget that our children also have been killed?"

Michael Oppenheimer, of the Environmental Defense Fund, of

means that global temperatures years are taken seriously it means will rise sharply. Chlorofluorocarbons also are believed to be de-idly and, at the beginning of the stroying the stratospheric ozone next century, the climate warming sity of East Anglia in Britain, said that shields Earth's surface from will be the major environmental that his data, taken from stations ultraviolet radiation from the sun. problem of the globe."

## MISSILES: Saudis Concealed Purchase From U.S.

(Continued from Page 1)

Americans this is a question of strict confidentiality between Sau-di Arabia and China and pointing out that it does not allow the Chinese to inspect U.S.-provided

AWACS surveillance aircraft. Saudi diplomats, who have been briefing members of Congress on their newly acquired Chinese missiles, have emphasized that Riyadh turned to Beijing for help only after Congress repeatedly rebuffed its efforts to obtain U.S. arms, including F-15Es and the short-range Lance missile, which has a range of about

They felt naked," Mr. Murphy told a House committee on Thurs-"They did come to us. They asked us for the Lance missile and we were not prepared to sell so they went elsewhere. I regret it."

Mr. Murphy said there had been "grave concern" in the administra-tion that the Chinese missiles carried nuclear warheads, but said both China and Saudi Arabia have provided assurances that this was not so. Prince Bandar has delivered

a March 12 letter from King Fahd to President Ronald Reagan conveying the assurance in writing. The Saudis went to great lengths

to deceive Washington about their purchase of missiles from the Chinese, according to one knowledgeable source. According to the source, the Saudis have taken the nosition that they never lied outright to the Americans, but also never told them the whole truth. The Saudis used a budding economic relationship with China, specifically in the petrochemical

field where the kingdom was in search of markets for expanding Saudi production, to develop secret contacts with the Chinese. Saudi Arabia has diplomatic relations with Taiwan, and does not formally recognize China.

Prince Bandar's visit to China was made under the pretext that he was trying to persuade it to stop selling arms to Iran. The Saudis told the Americans they had "of-fered" to compensate the Chinese for the loss of arms sales to Iran by buying the same weapons, includ-

ing Silkworm missiles, for Iraq. The Saudis also "offered" to have the Iraq-bound missiles from China pass through Saudi territory for security from Iranian attack.

The Chinese then shipped the missiles destined for Saudi Arabia together with those being transshipped through the kingdom to lraq. After both sets of missiles were counted leaving Saudi ports. those destined for the kingdom were trucked south into the great Saudi desert known as the Rub el-Khali, or Empty Quarter.

There, the Saudis told the Americans they were building a huge "ammunition depot" that they wanted to keep far from their cities and populated areas for security reasons. In fact, the depot was a training and storage area for the Chinese missiles.

The source said the Saudi cover was finally blown in January when the Americans discovered that trucks carrying some of the pre-sumed Iraq-bound missiles were traveling south, rather than north,

## HOLD: Recordings Provide New Hang-Up in the U.S.

(Continued from Page 1)

things ease up, tell her to call some-And then there are the men who almost never arrange their own

Secretaries speak for them, and the women who get such calls are supposed to think the man isn't on the line himself because he's at a board of directors meeting or a State Department conference.
But what a lot of women really

think is that the man is sitting in his office waiting to hear the answer, afraid of rejection. No matter the reason. The man isn't on the phone; the secretary is. And these secretaries are invariably

efficient, pleasant and primed with

alternatives. They suggest a date; if it isn't agreeable, others are offered. When that's settled, a choice of plays, movies, clubs and restaurants is tendered for consideration, acceptance or rejection. Settled? Good.

romance of it all. At one time, a lot of calls were called to find out. answered with that infuriating question "Who's calling?" Now it's not a lot: it's almost all. The request for identity is the first phrase uttered by the person at the other

"May I speak with Mr. Brown

"Who's calling?" "Harry Smith." "He's not in."

he isn ኒ

Is Mr. Brown really not in? Suspicion lurks, often justified, espe-cially if the secretary says. "I'll see

Admittedly, busy people must have their calls screened, but it true that Mr. Brown isn't in, why annoyed I say, 'Arlene who?' not say, "He isn't in but would you care to leave your name?" And if he who? is there, couldn't the same stalling effect be achieved with, "He's busy

at the moment but may I leave him your name and a message?" Possibly the most frustrating telephone calls are those answered with a recording that offers all the general information you might think of — save the precise bit you need. The other day a woman who wanted to send a card to a friend in a California hospital telephoned the hospital to get the address. A What time? Fine. Click. Oh. the recording told her what to do about everything except what she had

> She finally telephoned another friend in that city and asked her to look up the address.

> And then there are the supreme egotists among acquaintances and friends: the men and women who telephone and don't bother to identify themselves because they as-

sume their voices will be immediately recognized. (These are the people who sign postcards and Christmas cards "Bob," assuming there is only one Bob in your life.)

"When I get these calls, I often if he's in," and comes back and says know who it is but the assumption so boils my blood that I become perverse," one woman said, "I say, What number are you dialing? should be possible to leave callers. Then I hear a surprised voice saywith a modicum of dignity. If it's ing, 'It's Arlene,' and I'm still so The phone's ringing. Warren



word from

## Marvelous, Spectacular 'Jew,' Tiresome, Turgid 'Cymbeline'

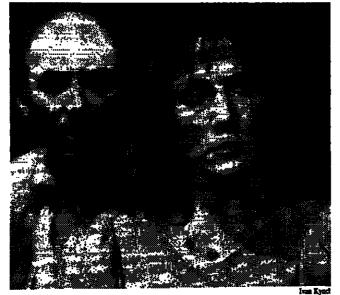
By Sheridan Morley International Herald Tribune ONDON — The Barbican is L now open to transfers from last summer's Stratford productions, and at a time when there seems to be a genuine crisis of RSC identity at their home base it is well worth noting that the company is still capable of some superlative

Barry Kyle's "The Jew of Malta," first of the 1987 shows onto the main London stage, opened strong-

#### LONDON STAGE

ly enough by the Avon mine months ago but has now developed into a marvelously confident Machiavelhan spectacular in which poisoned nuns fall like rain from the rafters while Middle Eastern paratroopers storm their way through Marlowe's black, anti-Semitic tragicomedy of wondrous energy and invention.

Since Antony Sher is curiously not doubling this Jew with his current RSC Shylock, it falls to Alun Armstrong to give us a title performance of rare and rampant evil, furnaces of hell. double- and treble-crossing the double- and treble-crossing the equally treacherous Knights of Malta (led by an infinitely suave and equally untrustworthy John where the mands that the play should be and equally untrustworthy John where the mands that the play should be be and equally untrustworthy John where the mands that the play should be larger. Harriet Walter is little more than statuesque, and her sup-



"But that was in another coun-

Carlisle) until he is finally caught in brutality and alienation that perthe strings of one of his own traps and literally plunged into the fiery brilliance. Its greatest achievement is perhaps that it has led, 400 years

feeling. There is no greater test of its dramatic vivacity than that

I wish I could be equally or even mildly enthusiastic about the "Cymbeline" that is going on below it in the Barbican Pit. Bill Alexander's production is a marathon sprawl across almost four hours, though there is perhaps some faint academic case to be made for the theory that if you are to suffer this play at all, you may as well suffer

One of the most tiresome of all Shakespeare's late failures, it is not much helped by strict confinement to a studio stage where there is no hope of descending deities or lavish special effects or scenery to take the mind off a turgid maze of plot and poetry.

Toward the all too welcome end

David Bradley in the title role is allowed irritable and repeated queries as to what is going on. But by then we are way past caring. "Fear no more the heat o' the sun" is but a all reward for acres of some of the least distinguished of all Shakespearian speeches. Not since the Vanessa Redgrave production of



Alun Armstrong (left) as Barabas in Christopher Marlowe's "The Jew of Malta": A performance of rare and

porting company fails to bring a performances, Julia McKenzie producer (now a composer) who sprawling shambles to any kind of took the younger members of the sells his soul to Hollywood, this is meaningful life. I now await, with cast of "Follies," in which she is one of Sondheir's richest and most currently starring, and put them that gala will pave the way for a choreography, performed on it totally lacks on its own.

farewell "Cymbeline" on the South into a workshop concert version of Bank. Linked to "The Tempest" another Sondheim musical, "Merital possibly acquire a strength that just possibly acquire a strength that it totally lacks on its own. on the old Kaufman-Hart morality For a couple of AIDS charity play of 1934 about a Broadway Confidential" is just awful. A mis-front.

stunning cast at the Shaftesbury.

At the Playhouse, "Nite Club

be recognized by the few of us (

drop curtain that had since d

scended. It was then that all the

audience members who had not h

after Act 1 shook the Staatsoper

its foundations with virule

meant something!") the orchest played consummately for Zolu Pesko, as subtle but sumptions

last summer), and the America

tenor William Johns sang a ringi

James Helme Sutcliffe is a mus

FOR THOSE OF YOU WHO DON'T

KNOW ME, MY NAME IS HAVOU AND I WORK FOR A NORTH

MERICAN INTELLIGENCE

NAMELESS.

AGENCY WHICH SHALL 60

DOONESBURY

performance as I have heard. the potion-crossed pair, Gabrie Schnaut (Isolde) discovered shad

Though the staging was an instito the intelligence (one studes commented "But she must ha

## Rare Poe Book Found

By David Streitfeld Washington Post Service

WASHINGTON — An extraordinarily rare copy of Edgar Allan Poe's first collection of poems has been discovered in a New Hampshire book barn. Titled "Tamedane and Other Poems," it is the 12th known copy.

The discoverer paid \$15 for the book, which

he found in a bin of pamphlets on farm implements and fertilizers. Sotheby's, which will auction the book on June 7, estimates it could fetch as much as \$300,000.

"Our experts have examined it really thoroughly and compared it with other known copies, and there seems to be no question what-soever about its authenticity," said David Redden, Sotheby's senior vice president and director of its books and manuscripts division.

Redden said it was the most important book discovery since the last copy of "Tamerlane" was found, in 1954. That copy brought \$123,000 at auction in 1974. "Tamerlane" was printed in Boston in 1827. Its authorship on the

title page is attributed only to "a Bostonian." The man who found it is remaining anonymous. "I knew I had found something great, a piece of Americana. I knew it was valuable but never dreamed that it would mean this much money. Actually, I didn't handle it real careful-

ly when I first got it. I thumbed through it. I never read anything by Poe in my life. I really don't know too much about books."

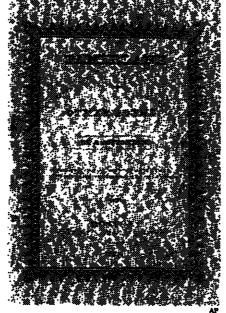
He contacted the Boston office of Sotheby's, which shipped the book to New York by ar-One of the first things the auction house did

was check the whereabouts of all known copies of "Tamerlane." A copy had been stolen from the University of Virginia in Charlottesville in 1974, but this was not the same one.

The importance of "Tamerlane" lies in the

fact that it is Poe's first printed work. Several hundred copies may have been initially printed, but most of these have been destroyed The preface to the 40-page book states that "the greater part of the Poems which compose this little volume, were written in the year 1821-2, when the author had not completed his 14th

year. They were of course not intended for publication; why they are now published con-cerns no one but himself." Poe was 18 at the This copy is in remarkably good condition,



although the paper covers are stained. "It looks its age, but it's not in any way seriously damaged," said Redden. "It's in very nice shape. Its scjourn in the bin with the fertilizer pamphlets one of only 12 copies known to exist.

## Operatic Tumult of Disapproval

Hardly had August Everding arrived in Hamburg than he wanted to be released from his contract to become master of Munich's theatrical scene. Christoph von Dohnanyi then took over, one of the first conductors to do so, and trouble between him and the Hamburg State Philharmonic (which plays for the opera) soon reared its head. He brought in the most avant-garde stage directors he could find, mostly from the legitimate stage, who treated opera like a stepchild, fair game for incomprehensible

A disastrous fire in the scenery

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HAMBURG—when Roll Leebermann first left Hamburg
stage) had to be scrapped after
in 1973 to take up the challenge
that opera has always faced in Paris, night fell upon the theater that
successor, Kurt Horres, lasted only
had successfully guided for over
the months. An SOS went out to
the months and some to return to Hamburg
the last successfully guided for over
the months. An SOS went out to
1986-87 season managed only two
drop curtain that had since d Liebermann to return to Hamburg 1986-87 season managed only two and save the theater he had made new productions in the opera house into Germany's finest ensemble itself before succumbing to internal

> Tristan went to sleep in an aluminum dinghy from which Isolde began her Liebestod while rowing on dry land, ending it by embracing the moon painted on the drop curtain that had since descended.

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of exquisitely tender vocalist (missing from her Bayreuth Ortu during his 15-year regime that end-ed in 1973. misunderstandings that caused the music director, Hans Zender, to On a TV talk show a year ago withdraw. The current season got Liebermann complained that his off to a better start with a surrealiswarehouse wiped out half the setpredecessors had left him with an
tings in storage. Then, during a
artistic and architectural ruin, so
"Lohengrin" performance in 1981. old was the ensemble, so decrepit
part of the upper stage machinery
the theater. But some of his own
the veteran Paolo Montarsolo, and game) and Hermann Becht (Kg Jon Vickers, Harald Stamm (Kir. part of the upper stage machinery the theater. But some of his own the veteran Paolo Montarsolo, and collapsed, killing a stagehand and ideas for rejuvenating the audience, a magnificent "Cav" and "Pag" venal), all regulars in their roll seriously crippling two others. singer ensemble and stage ran afoul staged by Giancarlo Del Monaco, provided superb support for a m

> The East Berlin director Ruth Berghaus and her designer Hans scanner, occupied much of stage

By Act 3 a huge moon had ed into stage center, the shepherd in a red jumpsuit (a favorite costume for Berghaus's preferred designer Marie-Luise Strandt) was nountaineering up and down the

WORLDWIDE

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Switzerland	S.Fr.	510	44	280	38	154	32
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# By James Helme Sutcliffe The "Ring" cycle, just begun with stage machinery could be repaired "Das Rhiengold" (the tenor singing (1990 is the hoped for deadline), but were furnious at price policies. The production of a heart attack on but were furnious at price policies.

degree of darkness varied.

production experiments.

Only those operas could be per-formed whose scenery did not need burgers bore with late season open-to use the grid. Gotz Friedrich's ings and early closings so that the ady as Santuzza.

Now, with a farewell production critic based in Berlin. June will bring smaller-scale works in other ambiences), the Hamburg Staatsoper has experienced per-haps the fiercest tumult of disapproval in its history, and that for a new production of Wagner's "Tris-tan und Isolde."

Dieter Schaal set the opera evidently on a spaceship with a background of stars and a periodically passing moon, with 24 crew members doing slow synchronized pushings under as many deck chairs. A gleaming machine, maybe a laser center and at one point it looked as though Isolde, with her green punk bangs above long black locks, was going to be strapped to a board and shoved through the tube.

shoved through the tube.

Act 2 took place within the huge turbine of the ship, a bright planet gliding past the rear opening at intervals. It was all perfectly executed and pleasant to look at but had nothing to do with the opera's plot, as when Melot and Co. senselessly "surprised" the lovers during their "tryst," nowhere near each other while reclining on distant rotating turbine blades.

By Act 3 a huge moon had

	BC
SPRINGTIME ARTS IN MONTE-CARLO	F
CPERA: T. PETICA PARIGENCY de Gimaneau (15-17/4) worldwide re-creation RECITALS: Alfred Brandel (6/4) Rando Scatio (23/4) CHAMBER MAISSIC Les Arts Horisonts Const. W. Christe (1-4)	
LP. Rompold Nordinam (F/4) LP. Rompold Nordinam (F/4) LP. Wolley & Rotton (R/4) LP. Wolley & Rotton (R/4) THE BUDANEST F. USZT CHICASTRA (R/4) SYMPHONEC MUSIC THE MONTECARO PHILYBRONE CHICASTRA Cord. L. Frater Kgifa & Morable Labbase (R/4)	*6 FRI AI INI A
COLOR WAS TARFOND COCA & Chally 2014 BALLETS Monte-Corto Ballet (24/4) THEATRE "Voyage on boar do la Nuil" by Claine, by F. Lachini (11/4)	(6)
M. Diccord, express 6/4 H. Sologond, piezo (6/4) L. Paters, victor (2/4) C.N.E.M.	

無人見

Chicago

October.

December.

High: 23,787,698

contracts traded in

contracts traded in

Year-end: 16,656,010

1001

6495 6082 440 642646838 418

35 33 35

354

20%

Fallout From Black Monday: Futures Volume Drops Sharply

Singapore

December.

High: 344,000 contracts

traded in October.

Year-end: 136,666

contracts traded in

## **HICAGO:**

## he Next Worry: oreign Markets

ILWAUKEE -Where do futures go from here? While the stock market crash of October and the studies into why it happened will give the futures markets and exchanges something markets and excusing of months to think about for several months about for several months a at least, that event will not have a profound effect on the industry as whole.

The crash will most likely affect enly the markets in stock index futures, and then perhaps not very

Instead, the futures industry will focus on globalization. spurred by rapid communications, the springing up of futures ex-changes all over the world and the forging of links among them.

"Globalization is the next thing; competition is the keyword," said Frederick Grede, vice president of administration at the Chicago Board of Trade, the world's largest futures exchange. Its volume last year was 101 milalon contracts, up from 81 million she year before.

New exchanges could challenge Chicago's dominance in futures by aphoning off business unless Chirago fights to protect its turf.

"Anyone who says foreign marhers are not a threat is simply dead mong," Mr. Grede said. "It takes not days, not hours, not minutes

for business to move overseas. It takes only seconds."

A good example was the week of Oct. 19, when the Chicago Board of Trade's Treasury bond futures contract reached its maximum-allowed daily price limit as scared investors fled the collapsing stock market and parked their funds in a secure haven

The CBT contract unofficially stopped trading at its daily price limit, but London's International Financial Futures Exchange was open. Its similar contract picked up the overflow, and volume there soared by 800 percent.

This year, Chicago will try to rope in this foreign competition, either by linking up with it or inventing a better way of doing

Although the stock market crash is on everyone's mind, a look at the volume figures for stock index futures shows that the industry's phenomenal growth in 1987 was not due to these stockrelated contracts.

Their importance was overshadowed by the collapse of the dollar. For example, the world's most popular stock index future — the Standard & Poor's 500 stock index on the Chicago Mercantile Exchange's Index and Options sub-

Continued on page 10

## U.S. Industry Braces for a Battle Over Jurisdiction

#### By John Morris

ILWAUKEE There is no doubt that the multitude of reports following the stock market crash in October bave put the futures markets on

the defensive.
So-called computer trading took much of the blame. Even if it wasn't the main culprit in the collapse, its presence, and the fact that it is difficult to understand, have made it a target.
Computer trading takes several

forms, which can replace the trad-er as the decision maker: So-called portfolio insurance, where movements in the market can trigger increasingly greater sell orders as prices fall, and arbitrage, where computers constantly watch for any trading advantage stemming from shortlived differences in price between the Standard and Poor's 500 stock index futures contract, and the actual S & P stock index, as calculated by the prices of the 500 stocks that make

Other aspects of computer trading are analytical programs that computerized order entry system on the New York Stock Exchange that allows money managers to automatically buy or sell huge blocks of stock. This is especially useful when trading all the stocks that make up the S & P index. Now the futures industry is

Sapsoo options द्राक्ष राक्ष राष्ट्र राष्ट्र अस्ट

200

195 90 850

19 210 **5**435 10 225 **5**375

183 180

185 85

188 95 98

35

Volume of Futures

30 25

tense lobbying in Washington that will, if successful, leave it pretty much the same as now. But if it fails, trading will almost certainly be more expensive and the rapid growth of recent years

bracing for several months of in-

will be stunted. The industry believes the problem is one of education. If Congress can be made fully aware of how futures markets work and

why they exist, then the industry might emerge from 1988 intact. The alternative is one that the exchanges do not want to face: increased regulation, oversight by more than one U.S. agency and a great increase in the cost of doing business that will likely drive trading into the arms of overseas ex-

By mid-March, the futures and stock exchanges had improved their emergency systems and agreed to talk to each other when trigger buy and sell orders, and a crises develop. Chicago's ex-

changes had imposed limits on the amount their stock index futures contracts could move in a day, and the New York Stock Exchange disallowed the use of exchange computers for electronic order entries if the Dow Jones moved 50 points from the previous day's

But these moves did not quash the theat of more regulation. By mid-March the SEC's five-person commission remained divided over whether to propose that the agency should take over responsipility for stock index futures from the Commodity Futures Trading

Leo Melamed, chairman of the

Chicago Mercantile Exchange's executive committee, told the Sumitomo Life Research Institute in Tokyo in mid-February: The solutions to Oct. 19 do not

lie in new federal regulations, new federal authority, nor the ban on program trading or other market strategies. Rather, they will be found in structuring the world marketplaces so that their mechanics are more efficient and better geared to accommodate the siness flows caused by the information standard. Simply stated, the solutions will be found in embracing reality."

Volume of Futures Contracts Traded,

- 350

- 300

The "information standard" he referred to was a term coined by Walter Wriston, former Citicorp

chairman, to explain the technological revolution in sharing infor-

London

October.

High: 1,465,204

contracts traded in

Year-end: 725.929

contracts traded in

Computer screens around the onds, and, as Mr. Melamed said, "this has placed demands on our markets which cannot be met by current mechanisms."

When stocks crashed in October, "most traditional world markets were operating on a technological standard equivalent to the steamboat, while those who make market decisions were using the jet plane," he said.

Thus, Mr. Melamed believes Congress must be shown that the answer to preventing another Oct. 19 lies in updating market technol-

ogy to cope with information flows, rather than in more regula-

Source, Liffe

Volume of Futures

CONDON INTERNATIONAL

Page 9

The battle in Washington will be fought over two major issues: jurisdiction and margins. The futures exchanges believe both are adequate and want Congress. which is under pressure to "do something," to leave them alone.

Since financial futures began trading in 1975 with the Chicago Board of Trade's Government National Mortgage Association certificates, the futures industry has fought off the Securities and Ex-

Continued on page 10

## **ASIA-PACIFIC:**

## Rival Bourses Grope For New Strategies

By Joyce Quek

INGAPORE - On the morning of Oct. 20, the day after Black Monday's stock market crash, Sithe Singapore International Monetary Exchange, opened to a ression of frenzied trading.

By nightfall, trading had swelled to record proportions. Some firms lost \$15 million to \$20 million, and 10 local traders beame millionaires. There were no

In Hong Kong, however, the later suspended for four days after the crash — had erupted with the world's largest meltdown of share prices as Hong Kong stocks plum-meted in one of the worst one-day plunges on any stock market in history. The government took over the exchanges, set up a 4 billion Hong Kong dollar (\$519 million) lifeboat fund to bail out defaulters and suspended 43 futures traders. The contrasting scenes reflect the differences between Singapore and Hong Kong, rivals along with he Sydney Futures Exchange for founitance of the Asia-Pacific finamcial futures and options business from Japan, the United States and Europe. Every day, \$150 bil-

LONDON:

By Mark Lebency

Thures Exchange has reason to be

s other futures and options

the 5½-year-old Liffe is busy

lidating its position as the

times and options market in

European time zone as well as

ONDON — If imitation

is the sincerest form of

flattery, the London In-

ternational Financial

arket Ventures

to Diversification

lion worth of interest-rate futures alone are traded worldwide. The Simex chairman, Elizabeth Sam, said of the rivalry: "Our Eurodollar contract is

more successful than Sydney's, but if we try and trade in the Allwe would not be able to compete. In the nature of things, certain exchanges develop certain con-tracts. The Asia-Pacific region is fairly large. In terms of countries, Singapore has proximity to the ASEAN group. Hong Kong to northern Asia, whereas Australia is almost a market by itself. Each has its own unique characteristics. Tokyo, of course, will be the larg-

The exchanges appear to be put-ting competition aside and may even be drawing closer against the common threat of giant exchanges creaming off business with their liquidity, size, contracts and long-er trading hours. The emerging Tokyo futures market and Western technological advances are also factors to be reckoned with. Asia's stock exchanges experi-

enced the heaviest October index falls, with Hong Kong plunging 47 percent and Singapore and Syd-

Continued on page 10

## **Money Managers** Take Another Look At Risk of Hedging

#### By Katharine Campbell

ONDON - Events of the past few months have led financial institutions and end users like pension fund managers and insurance companies to reappraise the characteristics of risk and volatility in the futures and options

One effect has been to put a damper on innovation. The October stock market crash has forced investors to look more closely at futures and options and to examine their risk-reducing properties, rather than viewing them as gimmicks on which to leverage up their positions since derivative instruments allow trading on margin

When people are making money, they think about making money," says James Woodlock, a director at Barclays de Zoete Wedd.
"Anyone would do anything," he adds, referring to the heady pre-crash days, when novelty and exotica seemed to be the key attributes of products emerging weekly from financial houses. Now, when

uities and government securitie essary, cheap and smoothly body receives high marks for going out and trying to sell an option on

Moreover, attention has been focused on one particular type of exposure, market risk. Earlier last vear, some investment bankers were scoffing at talk of a potential onset of a bear market. The existence these days of a range of instruments, they argued, ren-dered any bear market features a good deal less sinister. You could make money just as readily, so they said, from falling as from rising trends. What they neglected to consider was the altered liquidity conditions prevailing at the

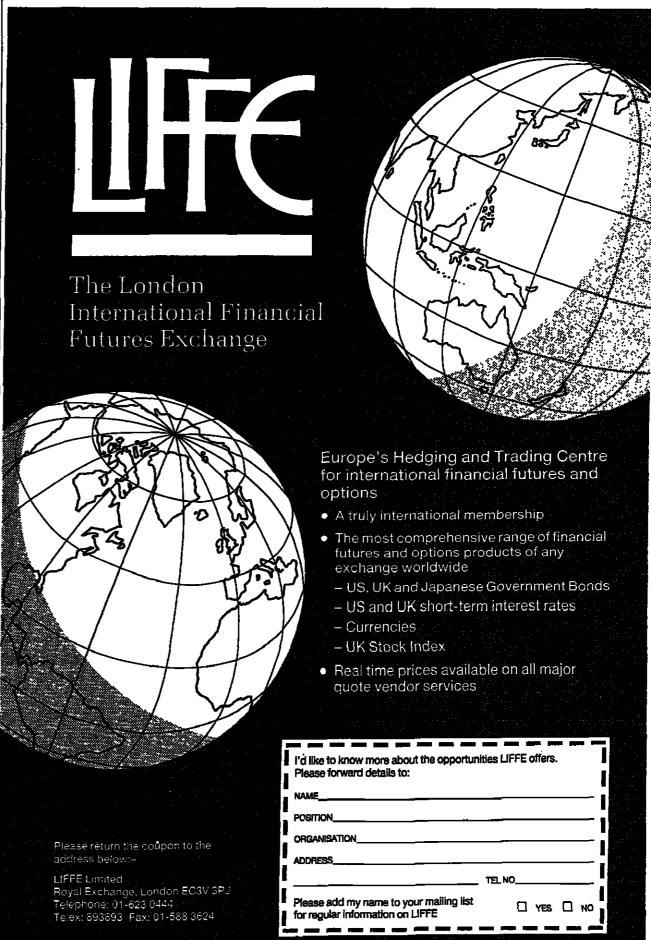
Even though futures and op-tions rely on a certain amount of volatility in the underlying instrunevertheless, drive players away, particularly those not sufficiently sophisticated to sell options, for instance, when premiums get too high. At the same time, the world is increasingly dependent on such liquidity, as more participants come to rely on these markets to alter exposure rapidly.

Liquid markets can only exist when there is a diversity of view. One of the major lessons of the crash was that, with the growing institutionalization of financial markets, where large chunks of funds are in a very few hands, that diversity of view can disappear very quickly. Consequently, liquidity dries up.

Financial minds have yet to devise a product that will hedge market risk. However, some players have been rethinking their strategies, with the wisdom of hindsight. Aside from those that have sim-

ply pulled out of the market for the time being, there are those that have imposed tighter management controls. The Nikkei 225 index on Simex, for instance, opened to a wide discount to the cash market on Black Tuesday.

The response has been to im-Continued on page 10



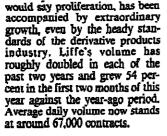
ing with the inevitable and enble problems success brings. The exchange is riding a tide of arp growth, product interna-nalization and expansion, and increasing awareness of the darly in Europe. However, the

> Is products, which began with a mediate deposit and sterling pey contract, now include 20 and options contracts on erse markets as U.S. Tread you bonds, the Financial stock Exchange 100 equindex and contracts spanning

liffe lecis it has been hurt by the

high cost of entry for new partici-

EUK yield curve. This product expansion, some



And while the Liffe does not enjoy the huge turnover of the long-established Chicago exchanges, there is confidence among exchange officials and members that it is now well positioned for the long haul.

Among its various products, the Liffe's No. 1 performer is the longterm British gilt futures contract which accounts for more than half of total futures volume. A key factor contributing to the success of the contract was Big Bang in October 1986, when the markets in eqwere thrown open to increased competition among market-makers and trading in the cash market swelled. Since then, primary dealers have found the gilt contract 2

Continued on page 10

## **LONDON:**

## The City **Diversifies**

Continued from page 9

functioning adjunct to their cash-market trading. Despite the lopsided growth

profile favoring the gilt, the Liffe is not a one-product market. Traders say the sterling deposit, U.S. bond and Eurodollar contracts have an acceptable level of liquidity and can manage high-volume trading when volatility in the underlying cash markets increases.

In addition, there is agreement

that prospects are particularly bullish for the FT-SE 100 index and yen bond futures, which suf-fered from slow starts. The FT-SE 100 futures contract's reputation was bolstered during the crash, when it remained reasonably liquid, allowing traders to limit exposure to the plummeting equities market.
The FT-SE 100 is one of our

most promising products." Kim Albright, Liffe managing director for business development, said. Exchange officials believe the yen bond should benefit from the

fact that Japanese members, who own 32 of the 373 seats, roughly doubled their turnover on the exchange last year and show signs of making a long-term commitment

The addition of the yen bond made for a government bond futures complex that has attracted multi-currency investors.

'We're starting to see people reweight portfolios using these contracts. It's a cheap way to increase or decrease exposure to one mar-ket or another," Miss Albright

The options division, which so far has registered an uneven performance among products, is also expected to take off, with users attracted by the concept of a limit on potential losses, particularly important with the post-crash consciousness among investors. The options division is growing faster than the rest of the ex-

enormously," Oliver Lodge, director of Exco Futures Limited, pre-

Although it is hard to argue with two years of doubled exchange growth, members and exchange officials are acutely aware that Liffe has only scratched the surface of potential users. Many members feel the Liffe has cheated itself of greater penetration of cash markets by marketing unaggressively. The exchange has reorganized its marketing effort and is expanding this activity, but everyone agrees there is still a long

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Gold & Silver



The Royal Exchange has become too cramped for Liffe trading.

But Michael Jenkins, chief executive of Liffe, said, "One of the reasons I am optimistic about the prospects for Liffe is that there are still a lot of potential users who for one reason or another don't use the market.'

The exchange this year is step-ping up its marketing on the Euro-pean Continent, where the French Matif (Marché à Terme des Instruments Financiers) has boomed and West Germany and Switzerland are opening exchanges.

If it succeeds, it will make still more important another key project Liffe is now concentrating on: expanding its ability to cope with the record volumes being posted on a regular basis, and which surged during the crash.

The early signs of the fallout from the crash are that it may have actually done the exchange some favors. The heightened fear of volatility it injected into markets worldwide has given exchange members an ideal opportunity to stress to the retail world the need for hedging and managing risk.

"The crash has not changed the perception that we live in volatile times and institutions need tools to manage that risk," Mr. Jenkins said. In any case, one of the worst post-crash nightmares feared by exchange heads, a dip in investor liquidity, has not yet materialized

The Liffe hopes to reach agreement early this year with the Stock Exchange's London Trade Op-tions Market, which trades FT-SE and gilt options, to form a joint venture company. The two markets would, according to the plan. work together on new products, clearing marketing and margin offset. A previous attempt at a relationship collapsed last year, but Liffe believes the problems

that sunk the deal then, chiefly the issue of who would control the market have been overcome. 'It's all part of London being

Lowe, a Liffe board member, said. "If we're going to have a global operation, we don't want to have the Stock Exchange and Liffe squabbling over who does what. We want to work together, marketing London together as the cen-

The success of some of Liffe's products has overshadowed the failure of its others, chiefly the currency and short-dated gift futures as well as the options on the Financial Times-Stock Exchange 100 equities index, Deutsche mark and sterling.

Members say these products have suffered for a variety of reasons, ranging from the pint-sized denomination of the currencies to government regulation hampering certain institutions that otherwise might use the markets.

Even with its losing products, though, the Liffe is experiencing growing pains. It has swelled be-yond the walls of its home in the

Royal Exchange building and is

likely to move to the floor of the Stock Exchange. Liffe seats, which sold for £20,000 (\$37,000) in 1982, reached a peak last year of £250,000. This has made the cost of entry to new and badly needed risk-taking local traders prohibitive. A seat split is the Liffe's answer to this problem, and it plans to have one completed by the end of May.

The Liffe is looking ahead to ew products, including Eurobond and West German government bond futures.

Perhaps the most far-reaching change currently under discussion in the futures and options industry is automated trading, which would empty trading pits and end the open-outcry system. The Liffe, like all exchanges, will be watch-ing the Chicago Mercantile Ex-change's experiment in this field with great interest.

MARK LEHENEY is assistant editor for Europe of Knight-Ridder financial news.

# ASIA-PACIFIC: Bourses Seek Strategies 12.17

Monthly trading volume, in thousands

J F M A M J J A S O .N·D

offset system (MOS) and to trade Nikkei Stock Average futures.

Consequently, it performed bet-ter than the London International

Financial Futures Exchange

(Liffe) did in its first two years.

Singapore's Eurodollar contracts

soared with the MOS link from

being at 23 percent of Liffe's 1985 volume of 1.28 million contracts

to 86.6 percent or 1.52 million of 1.75 million contracts in 1987,

while total daily Simex volume

rose from 1,600 contracts to

Without fungibility, Singa-

The poor performance was also

due to the cash market being in

contract, which started in 1986

quickly became the world's second most heavily traded SIF without

OREOVER, few con-

tracts were fungible under the Simex-Chi-

cago Mercantile Ex-

ney 44 percent each. It is this extreme volatility that makes futures and options trading so risky, yet so ary. Few bourses can match the fall of a Nikkei stock index future to 5,000 points and a re-bound to 22,000 points before settling at 18,200, all in a day.

It is not a matter of simply calculating returns from this business. No self-respecting financial center can afford to be without a financial futures exchange with trading now being carried out on a

While futures trading in Hong Kong resembled a gambling casi-no, treasurers and fund managers recognized the need for hedging in futures instruments against volatile foreign exchange, interest-rate and share-price movements, and at lower costs, too.

The Japanese look to financial futures as a hedge against growing foreign exchange losses as the year strengthens against the U.S. dol-

New York, London and Tokyo are seen as forming a 24-hour chain. Although Sydney could be the chain's southern end, both Singapore and Hong Kong, close to lapan's time zone, want to be

Singapore emerged better off from the crash than its rivals. Hong Kong, with lax regulation and low margin requirements, was change MOS link, under which a the hardest hit. In September, its volume had passed 600,000 concontract opened on one exchange tracts but by December it had could be closed on the other at a single transaction cost while tapbarely mustered 100,000 conping liquidity. tracts. Sydney registered 326,000 contracts in December, and Singapore's U.S. Treasury bond contract started well in October 1986 but had died by December 1987.

pore, 140,000 contracts. The Sydney Futures Exchange weathered the storm well. However, both Sydney and Hong Kong saw their images slip. As a Europe-an banker said, it would be a long time before he would go back into the market. Apparently, it was easier to get into peripheral markets, but almost impossible to get

It used to be important to be first. Singapore was the first to link up with a Western exchange—the Chicago Mercantile Ex-

Its fungible Enrodollar contract hardly breached 500 lots daily throughout 1987. The Treasury bond contract was also disappointing as was its gold futures contract with the New York Commodity Exchange.

Insufficient liquidity also meant slower growth, so most exchanges added more seats for speculators. Singapore has 450 seats, with 200 more available, while Sydney advertised its financial incentives, Australian lifestyle and California-like climate.

A further attraction was wider contract menus. Singapore launched options trading in Eurodollar, yen and Deutsche mark futures, and Sydney in Australian dollar futures. In time, every exchange will have options, stockindex and interest-rate futures contracts.

However, the Chicago Board of Trade's extended trading sessions in T-bonds and note futures, and Chicago Mercantile Exchange's Post Market Trading system, may indicate a trend to go it alone.

The global automated electronic trading system, jointly operated with Reuters, allows futures trading under CME-like conditions before and after official trading time. Some say that with this system, the Chicago Mercantile Ex-change could dispense with an after-trading hours linkup with

Ms. Sam, the Simex chairman, dismissed detractors. "We are going into the age of automation and technology and the move into such a system would probably come about in due course," she said.

Singapore, an active refiner with much spot trading, is now exploring energy futures trading with the New York Mercantile Ex-Tokyo and the decision by the Chicago Board of Trade to stay open longer to overlap Far East trading hours. change. If implemented, it would beat Japan to such a link. Even then, fungibility wasn't everything. Hong Kong's Hang Seng Stock Index Futures (SIF)

The Japanese, however, appear to prefer to learn from the mistakes of others rather than to be first. With the world's largest stock market and lots of liquidity,

the freeing of its financial markers to trade overseas, the establishment of a futures exchange.

As with T-bond action going Chicago, would action flow nor when Tokyo introduces its con tracts starting with a SIF in mid

Ms. Sam said: "The debay about Tokyo constantly goes ( In that sector of the market kyo's liberalization has been be ficial Certainly, the size of Toky is larger, but the world's finance markets have benefited. Equalic in financial futures, we'll see some

"It could well be that Tokk would be strong in yen-based contracts but we have other exchange where they can trade in the same contract.

She also noted that "if the Po kyo Stock Index goes out of his with the Nikkei, there's bound to be arbitrage going on from one to the other."

Les Hosking, chief executive of the Sydney Futures Exchange, agreed. He had been aggressively promoting the Sydney exchange but appears to have mellowed in the face of its continued growth which has been based mainly on domestic contracts. The 1987 total volume of 5.3 million contracts reflected record volume despite the October crash.

He has invited Singapore, Hong Kong and New Zealand into an informal group, the Association of Asian Pacific Financial Futures Exchanges, to discuss mutual concerns, such as U.S. encroachment into Asian trading hours.

"We've got a time zone to pro-tect," he said. "The Far Eastern time zone is becoming an important window in the globalization of futures trading, so it's in the best interest of the four exchanges to promote the advantage of their location and time zone to banks and firms involved in futures trad-

JOYCE QUEK is a financial jos

## **CHICAGO:** The Next Worry: Growing Competition Abroad

Continued from page 9

sidiary --- actually saw a decline in volume to 19 million contracts last year from 19.5 million the year before. Nevertheless, it still accounted for 26 percent of the Chicago Mercantile Exchange's total volume of 71.3 million contracts. (At the Chicago Board of Trade, stock index futures made up only

tract, to 20.4 million trades from 10.8 million.

And volume in the Chicago Board of Trade's Treasury bond futures contract rose to 66.8 million trades from 52.6 million, well over half the CBT's exchange vol-

This performance compared with a virtual doubling in volume trading programs, widely blamed in the Chicago Mercantile Exchange's Eurodollar futures con- boost the volume of the Standard & Poor's 500 beyond average levels; meanwhile, unnoticed by many, the real action was centered on futures contracts on interest rates and financial instruments.

This has not escaped the attention of newer markets in the ernment debt as a major opportu- wave of the future.

contracts in this area.

Stock index futures have recorded high growth over the last few years, despite a lackluster per-formance last year, and the new exchanges have jumped on the bandwagon with their own ver-

Chicago has responded in two very different ways. And each one, world. They have focused on gov- according to its proponent, is the

The Chicago Board of Trade has which it began on April 30 with sessions from 6 P.M. to 9 P.M. Monday to Thursday in Treasury

The Change Board Michael Services and Second with Reuters, the news information service, to trade futures through video screens. bonds and notes and options on

pan, where it is 8 A.M. Monday go through the floor traders. while it is 6 P.M. Sunday in Chica-

The Chicago Mercantile Exthrough video screens.

This system would let customer The sessions are timed to coin around the world trade through cide with morning business hours the CME's systems any time it was cide with morning business hours in the Far East, particularly in Jashut. When it is open, orders must be floor traders.

Stock margins are actually a

down payment on a stock, made to-

the lender of the funds. The rest if

not due until settlement five to

futures margin is a performance bond, and all gains or losses are

Therefore, the futures ex-

changes argue, stock margins

should be seen as a device to limit

the extension of credit, while fu-

tures margins are more of an in-

the rapid collection of all losses on

In practice, the futures cleaning

a daily basis by the clearing house.

houses adjust their margins in re-sponse to market volatility. For

example, they were changed four times on the Standard & Poors

paid in full every day.

seven days later. In contrast, a

John Morris

## U.S. Industry Braces for Battle Over Jurisdiction, Margins

minute by minute throughout the day, and sophisticated computer

programs now make it possible to

reconstruct any sequence of trades in the market and identify who

bought and sold each contract.

Continued from page 9

with the Commodity Futures Trading Commission as its sole regulator.

The battle flared again in the past over Treasury bond futures, which the SEC considered securities, and again over contracts with cash settlement, such as Eurodol-lar futures. But the Commodity Futures Trading Commission won every round.

The turf battle resurfaced when the exchanges proposed launching contracts in stock index futures.

Again the SEC was beaten back. Several of the six reports on the stock market crash point out that there are inefficiencies in having two agencies regulate two related markets - stocks and stock index futures. But none of them goes so

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far as to suggest that the SEC be given jurisdiction over both. The SEC, however, thinks otherwise Its chairman David Ruder, told the Senate Banking Committee in February that the stock

SEC to regulate stock index fu-Later, he modified his position slightly. "In my opinion, the Securities and Exchange Commission should have what I think of as a tie-breaking function when we can't reach agreement with the Commodity Futures Trading Commission," he said. In other

and futures markets are so closely

linked that it makes sense for the

Reaction from the exchanges was predictable. Mr. Melamed said the exchanges can correct flaws in the system by cooperating

performance of up to one hundred

independent futures trading

compensated by any of these

managers, so this allows them to

give completely unbiased advice

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managers. They are not

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words, the SEC would be the dom-

among themselves. "The expertise ary to achieve the cooperation exists within the exchanges themselves," he said.

The Chicago Board of Trade chairman, Karsten Mahiman, said such cooperation would be more effective than the creation of a super-agency structure. The exchanges are adamantly

opposed to any tampering with their relationship with the Commodity Futures Trading Commission. Dual jurisdiction would impose reporting requirements and demands from two agencies instead of one, as well as impose the same burden on the exchanges' member firms. The result would be greater costs, which could drive

pants neither want nor need dual regulation. It's very expensive," said Frederick Grede, vice presi-

cago Board of Trade. Commodity Futures Trading .Commission, the exchanges have

usiness overseas. "Exchanges and market partici-

dent of administration at the Chi-He pointed out that under the

The securities industry, under

The other major issue to be fought in Washington will be mardown to trade a contract.

This data can be produced be-tween the end of the afternoon trading session and the beginning The exchanges can share this information to identify any dubious or illegal trading strategy by players on one or more exchanges

the jurisdiction of the SEC, has no such advanced surveillance systems. Indeed, the futures industry has offered to help the New York Stock Exchange with technical expertise in setting one up.

gins - the amount of money put Futures markets came under

down only 10 percent to 15 per-

heavy fire immediately after the stock market crash for their practice of allowing traders to put

cent of the face value of a contract. Critics claimed that this lenient policy fueled the crash. They called for the Federal Reserve Board to be given the authority to set much higher margins on securities contracts. The chairman of the Federal

Reserve Board, Alan Greenspan, detecting a political firestorm, rejected this suggestion. Still, the critics claimed that margins are much more lenient in

futures than in stocks, where down payments of as much as 50 percent are required. The futures industry vigorously

disputes that its margins are lower when looked at on an informed A research paper from the Chicago Mercantile Exchange said that stock and futures margins are different concepts sharing the

In testimony to the Senate Banking Committee, the Chicago Board of Trade noted that, while



Nicholas F. Brady, head of a presidential task force that was set up to study the

stock market crash.

percent margin for stocks, profes-

sional stock traders pay only 20

500 stock index contract between Oct. 16 and 29. Stock margins. however, do not change at all.

JOHN MORRIS is the business news editor of the Milwaukee Jour-

## Money Managers Look at Risk of Hedging Baring Securities Ltd., told a con-ference recently that, because the

determination of risk capital on a

Continued from page 9

pose strict management controls and limits on the broker. Other fund managers are complimenting themselves on their caution. Peter Nowell, an investment manager at the Prudential Assurance Co., never thought he could rely on futures markets "when the chips are down." On that basis, he is happy that he rejected the idea of dynamic hedging - protecting an equity portfolio by adjusting the mix of securities and cash through futures — as a way of doing portfolio insurance during talks with a

client last August.
"We looked at it and concluded it wouldn't work," he recalls, "If

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you want to limit the downside. you buy an option. That doesn't depend on the market being

Another effect of the crash has been to highlight the inadequacy of many firms internal risk management systems. County NatWest, for instance, dismissed several of their options staff after various errors came to light, including losses of more than £1 million writing options incurred by a trainee accountant.

Senior management in many firms is still unaware of the aggregated market risk around the world, in many instruments.

Ian Martin, financial director of

product-by-product basis is still in its infancy, a considerable amount of reliance continues to be placed on the imposition of regulatory minimum standards. It is more appropriate, he says, for financial organizations to assess internally the amount of risk capital that they perceive as having been unilized in each product area.

revert to pre-October atmosphere. For one thing, it is apparent that participants had been mispricing risk. The new higher prices are certainly more appropriate. A similar pattern occurred in the early days of foreign currency options. Competition in a relatively new market drove premiums down to absurd levels, until heavy losses by the banks writing options brought everyone abruptly to their senses.

It is unlikely that conditions will

The next phase saw an introduction of a number of new products bearing fancy names, where the true price of the premium was disguised under one appellation or

True, some markets seem to attract more readily than others. Take, for instance, the growth of the French government bond con-

Terme des Instruments Financiers), documenting how French institutions were quicker off the mark than their more conservative British counterparts. But everywhere, the sum of ac-

tual users has been far smaller than the total of potential customers. The crash has substantially slowed the development process. particularly in the field of equities. Such an unprecedented market

drop should have served as a case study of the benefits of hedging. However, in many instances, the reverse happened. Derivative instruments, marketed on the strength of their risk-transferring and risk-reducing properties, sud-denly seemed to be highly risky Liquidity disappeared when the

chips were down, so that strategies

with reassuring names such as portfolio insurance failed to deliver. In succeeding months, the reputation of some options markets were dented as stories of huge losses emerged. The Chicago Board Options Exchange took the unusual step of reimbursing customers for part of their losses. And several cases emerged from the London Traded Options Market of individuals running up vast po-sitions in one of the riskiest possible strategies, writing naked pu

This has had a calming effect on the industry. Trading levels in most markets have been depressed. In the futures pits during the crash, prices opened to wide discounts against the underlying securities, and this so-called deviation from fair value has made many users a good deal more cantious as to how and when the

Implied volatilities like choked off interest in the opti-business, at least for a winder week after the crash, implied tilities in the Standard and Pa 100 index option reacted 140 cent. Although price relations appear to be in better alignment of the business of meddys has not returned. People waiting unwilling to 2000. waiting unwilling to com

"It is a case of sharks a water. Is it safe to go swings again? Was the crash a co-event, or are there more said there? says Bruce Pullman, tor at County NatWest Inment Management.

KATHARINE CAMPBELL the senior European editor of Intel

889 Ridge Lake Blvd.

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## After Meteoric Rise, Scandal, Paris' Matif **Seeks to Consolidate**

**By Bernard Wolfson** 

ARIS --- By all accounts, the performance of the Paris financial futures market in its two years of existence has been nothing less

in stellar. The Marif (Marché à Terme des Instruents Financiers) opened its doors on Feb. mestors to hedge against the interest rate resince the early 1970s.

and its success was nearly instantarefect time." says Alain Wormser, head her at Banque d'Escompte, a Paris-based many bond dealer.

ness up, investors of all stripes, including formanagers of France's highly liquid must funds (SICAV), flocked to the Matif. aggressive French program of financial ensulation heightened the new market's

Since its debut, Matif has soared past Sincy and London to establish itself firm-ies the third largest bond futures market in neworld. Last year, only Tokyo and Chicarespected it in volume terms, and it apears poised to overtake Tokyo this year, wing outstripped it already in each of the grown months of 1987.

But since the October stock market crash,

ark clouds have gathered over the government officials have sought to prover any role the futures market might are played in the extraordinary turbulence shook financial markets last year. Complicating matters further was the state-owned of Cogema SA that it had lost about 259 on francs (\$45.8 million) on the Matif

mosh francial Cys. a minuth on the Main mosh francial community, and uneasi-iss has since engulied the market. There have been widespread reports of ther large losses sustained by public commies investing in financial futures, and simates of total losses run as high as 1 illion francs. Some brokerage firms, suskted of irregular or illegal activity, have gen suspended from trading on the Matif, ad Finance Minister Edouard Balladur has

11) TO ad bade it clear that the balance sheets of about companies will be audited. Many analysts argue that the Matif. tented in the fertile soil of financial dereggaion, grew too quickly for any regulatory purework to accommodate it. The mar-ical liquidity and high yields attracted peculators early on, creating an atmo-phere described by one observer as similar whee Far West." volume and quick profits has given way to a period of soul-searching and a spirit of

A number of Matif participants have voiced concern that the scandal could tarnish the market's reputation internationally and lead to new regulations that would scare off potential investors who are attracted to the market by its accessibility.

Some say the Cogema case has already reduced liquidity in the market by leading a number of companies, public and private, to curtail their investments in financial futures. Indeed, the trading volume of Matif's principal instrument, the 10-year bond con-tract, has dropped from between 50,000 and 70,000 contracts per day in January to just above 30,000 in recent weeks. But Patrick Simonnet, a director of Ma-

tif's clearing house and watchdog agency, CCIFP (Chambre de Compensation des Instruments Financiers de Paris), asserts that the Cogema scandal is an "isolated case," and that declining market volume reflects temporary investor uncertainty over future economic prospects rather than a vote of no confidence in the Paris futures market.

While the Cogema scandal has certainly raised some eyebrows abroad, it does not appear likely to put the Matif on an international blacklist "People are concerned," says the head of a reputable Luxembourg brokerage firm. "But Matif is too big of an investment to blow up. It could come out of this better off, once people see it has gotten through not only the beautiful weather, but

Meanwhile, Matif has emerged unscathed from its first test, a report presented in mid-March by Daniel Deguen, chairman of Banque Hypothécaire Européenne, on the functioning of financial futures and options and their relation to the events of last

The report, commissioned by Mr. Balladur, states emphatically that futures and options "are not the cause of the financial crisis suffered at the end of last year," and that "at no time were transactions in the official market called into question."

The report has given the market a sigh of relief, allaying some of its darkest fears. "It will be good for public opinion," notes Riccardo Tutino, manager of Fintrend, a Paris-based market analysis firm.

The Deguen Commission points a finger at unofficial over-the-counter trading, which accounts for as much as one-third of volume in bond futures. Mr. Simonnet who helped write the report, asserts that OTC trading can facilitate fraud by allowing its perpetrators to skirt official reporting re-quirements. The report argues that steps must be taken to "favor" the official market, which is more secure and transparent.
The Matif has already moved in that



At the Bourse in Paris.

direction, extending trading hours by 30 minutes as of March 15, with another extension planned for May and still another some time this fall. It also has plans to increase the number of after-hours trades included in its automated trading system and to integrate them into its general clearing system.

Meanwhile, with the blessings of the French government, the market is moving aggressively to expand its scope. This year, it will initiate three-month interbank interest rate futures and a futures contract based on the rate between the U.S. dollar and the European Currency Unit (ECU). It is also putting the final touches on a stock index futures contract and is known to have discussed gold futures.

Moreover, economic conditions seem ripe for continued success of the bond futures contract, which accounts for some 75 percent of total Matif volume. Low infla-

ment favor lower interest rates, which mean igher bond prices.

But there is a fundamental problem facing the Matif. It is a follower rather than a leader of the global economy. Pressures from stronger economies, particularly the United States and West Germany, often dilute the market impact of local events.

"Matif is no more than French interest rates and French rates are largely depen-dent on U.S. interest rates," observes Jean-François Conil-Lacoste, head of Matif operations at Ferri SA, a large French broker. But he quickly interjects a note of optimism, asserting that Matif's rapid growth and in-ternational appeal have given French interest rates a "growing role on the worldwide balance sheet."

BERNARD WOLFSON is the Paris-based dent for Knight-Ridder Fi-

## **Amsterdam's EOE Faces An Array of Competitors**

By Ronald van de Krol

MSTERDAM - From Scandinavia to the Mediterranean, Europe is witnessing the birth of a new generation of options and futures exchanges, dashing the initial hopes of Amsterdam's European Options Exchange that it would become the continent's single center for options trading.

Today, 10 years after the Amsterdam exchange opened, no self-respecting financial center in Europe is considered complete without either an options exchange of its own or plans to launch one in the near

"It has become clear that all the important financial centers of Europe want to have their options market," said Tjerk Westerterp, the president of the European Options Exchange (EOE). "What we now need to do is to bring about better cooperation among European options exchanges in order to be better equipped to face competition from the U.S."

Cooperation may simply take the form of joint marketing efforts, but it may also extend to the creation of common "European" option instruments that could be listed on individual exchanges. In an interview, Mr. Westerterp disclosed that the EOE was hoping to develop and list a "common market stock index" option by 1992, the year in which the European Community aims to dismantle

the remaining internal barriers and liberalize the flow of capital. The EOE — which is now rivaled by London for the distinction of being the largest options market outside the United States - has already offered the option concept to the London traded options market and may also approach other European option ex-

changes about the project. We're still studying whether the contract should be listed in local currencies on the different markets or perhaps even in European currency units to underline the European character of the product," Mr.

But he conceded that after the October stock market crash the launch of new products will probably be given a lower priority than the more important task of winning back the confidence of investors,

especially private investors.

Unlike options trading in the United States, the EOE and the newer European options exchanges depend heavily on retail rather than institutional

Because of the hesitancy of private investors, the EOE estimates that its turnover could actually fall this year. This would be its first annual decline and would constitute a marked contrast to the annual 40 percent surge it enjoyed in the mid-1980s. In 1987, it posted an 11 percent rise, with 9.8 million options changing hands.

"In the worst case, the number of contracts traded on the EOE could fall by 50 percent this year," Mr. Westerterp said. "So far, turnover is down 30 percent

He said that the EOE was not concerned that new option exchanges in Europe would take business away from Amsterdam, noting that most of the new exchanges would be concentrating initially on options on shares listed on their own domestic stock

Although the EOE also relies heavily on domestic share options, it offers a range of other products, including precious metal contracts. In addition, it is the only exchange outside the United States to list an option on the U.S. Major Market Index, a basket of blue-chip stocks traded on the American Stock Exchange. Last year, the EOE also set up a financial futures subsidiary in Amsterdam to attract more

Nevertheless, competition is clearly growing. Apart from London, a long-standing competitor, and Paris, a relative newcomer, there are two options exchanges in Stockholm. The Optionsmarknad, an electronic, telephone-based market, was set up in 1985, and the Sweden Options and Futures Exchange, a smaller "open outcry" market, was launched in 1987.

On a more modest scale, the Brussels bourse start-

We need to bring about better cooperation among European options exchanges to compete with the

ed options trading in 1985. So far, the market consists of five share option contracts and allows only "call options" - the right to buy a stock at a particular price within a specified period — to be traded and does not list "put options," which are rights to sell

Elsewhere, the Swiss options and financial futures exchange, Soffex, is expected to begin trading sometime in the spring. It was originally scheduled to be launched in late March, but the start-up was postponed while the exchange's computer system underwent some final fine-tuning. A new starting date is expected to be fixed in April. The market, which will be based on trading via computer screens, will initially list 11 stock option contracts, with a stock exchange index contract as well as financial futures contracts to be added later.

West Germany's banks and stock exchanges aim to have an electronic options exchange by the end of 1989. In Scandinavia, Norway and Finland hope to launch electronic marketplaces for options later this year in which Sweden's Optionsmarknad will own a

minority shareholding.

Italy is studying the idea of options and futures trading, but its priority remains the reform of its existing securities market. Eventually, however, Milan is likely to join the list of European financial centers with options markets of their own.

RONALD VAN DE KROL is a journalist based in

## **D**ptions Market Is Back on Track

By Jacques Neher

ARIS — Although temporarily de-railed by the crash in October, the new Paris stock options market ap-pears to be back on track. And while ior institutional investors have yet to make presence felt in the still limited market, ers say that could change with the planned poduction in September of an options conact based on a Paris Bourse stock index. The options market, known as the Marché Options Négotiables de Paris (Monep), got It to a promising start last Sept. 10, despite a start of several months because of computer

the market debuted by offering options on the market debuted by offering options on the major underlying French stocks, with the averaging 3,000 contracts a day. Three stock options were introduced in Octomore than doubling volume to 7,000 con-

ts a day.

Sien came the crash. Trading shrank to
contracts a day in November and less

the market was still a baby, only five weeks said Alain Morice, president of Monep's said Alain Morice, president of Monep's said Alain Morice, the Societé de Compensation admirates. Conditionnels "Obviously, it rehes Conditionnels. "Obviously, it ite't withstand the crash effects." As investors retreated from the stock mar-greducing their portfolios, Mr. Morice said

had less need for options contracts, which as instruments allowing investors to covstock investments. overtheless, he said that Paris fared better the London and Amsterdam options mar-

where volume fell by two-thirds. th with the new year came two new stock contracts, bringing the total to eight, truiticant recovery at the Paris Bourse.

parcent increase in the Bourse index in
the source index in the source index in
the contracts a day last month, although
the bas calmed a bit in March.

tan already compare ourselves to the narkets in London and Amsterdam," Morice said. Although daily volume in two markets is considerably higher —

'The market was still a baby, only five weeks old. Obviously, it couldn't withstand the crash effects.'

recently, about 40,000 per day in London and 30,000 in Amsterdam — he said that "if we offered the same number of options, the vol-ume would be comparable."

London's options market has 53 stock options and the Amsterdam market offers around

Currently, the Monep offers call and put options on the underlying stocks of Elf Aqui-taine (energy and chemicals); Compagnie du Midi (real estate and insurance); Lafarge-Cop-pée (cement); Paribas (investment banking); Thomson-CSF (electronics and defease); Saint-Gobain (glass); Peugeot and Michelin. Mr. Morice anticipates adding two new con-

tracts at quarterly intervals, bringing the total to 15 by year's end. Due to be added in April are contracts on Accor (hotels) and CGE (electrical engineering and media).

However, brokers believe the new market

will not really take off until it offers a contract on a stock market index. The big investors and fund managers

haven't come in yet," said Jean-Pierre Pinart, an options market specialist for Paris broker Ferri-Ferri-Germe. "They're waiting for an index option, which will be more practical as it will allow them to cover a broad French stock portfolio."

Such an index contract initially was planned for early 1988, but it has been held up by the crash and a territorial conflict between Monep and the Matif (Marché à Terme des Instruments Financiers) futures market, which also wanted a futures contract based on an index. A compromise that has just been arranged will permit both the Monep, which is under the domain of the stockbrokers, and the Matif under the influence of the banking establish ment, to introduce respective options and fu-tures contracts on the same index.

Clouding the picture, however, is a joint venture planned by a major French bank, Credit Commercial de France, and OM of Sweden to create a private outside-the-market stock index exchange that investors would play via computer.

However, brokers point out that such a mar-ket would dodge all government controls and they question whether the Finance Ministry would allow it. The new options market is also facing com-

petition from London, where options contracts were introduced earlier this year on Peugeot, Saint-Gobain and Elf Aquitame.

However, Mr. Morice, pointing to trading volume in the first month, an average of 13

contracts a day, said that he is not worried There is no market there," he said.

JACQUES NEHER, a journalist based in Paris, is a regular contributor to the International Herald Tribune.

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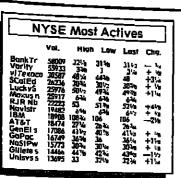


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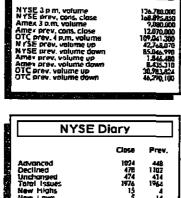
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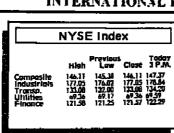
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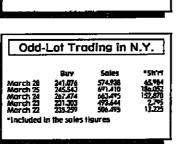


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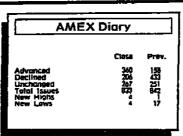
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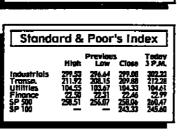






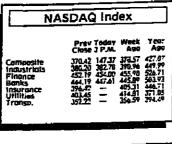
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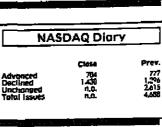


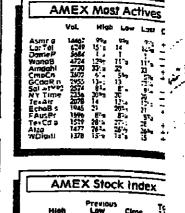


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Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere

**NYSE Up in Moderate Trading** 

Compiled by Our Staff From Dispatches Stock Exchange closed higher Tuesday in moderate trading, bolstered by bargain hunters and a rebound in the value of the dollar.

The Dow Jones industrial average, which rose 0.82 Monday, was up 18.57 points at the close, at 1,998.34. The index jumped nearly 18 points in the first 15 minutes.

Advancing issues led declines by a ratio of more than 2 to 1. Volume was about 153.09 million shares, up from 142.82 million traded Prices were higher in active trading of Ameri-

can Stock Exchange issues.

"After you come down for three days, you get into an oversold condition," said Larry Wachtel, an analyst with Prudential-Bache Securities Inc. "This was a bargain-hunting bounce, or a technical bounce. I wouldn't get all excited." He said the final hour of trading took away from the advance because it involved a sell-off

in some of the key high-tech stocks, such as IBM and Digital Equipment.
"The late self-off takes some of the shine away from the advance," Mr. Wachtel said. "It was a respectable recovery, but the tone of the market at the bell left something to be desired." Ralph Bloch, senior vice president of Raymond, James & Associates in St. Petersburg, Florida, said. "The working assumption is that this is a technical rally off a very bad week last

below 2.000. Mr. Bloch said he believed the advance was as 15 percent.

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technical in nature "because it is very unusual NEW YORK — Prices on the New York for a market to turn on the dime and take off

"If it proceeds to go a little higher, then tests the lows established Monday, then we might be ready to raily," he said.

"The market is finding some support at 1,980," he said. "But it is a difficult period here.
The burden of proof is back on the bulls. We

had a real crack in the uptrend line last week." The market was supported by a firmer dollar, which had reclaimed the 124-yen level in New York trading.

Traders said the dollar's improvement helped

ing interest rates lower.

"The fact that the dollar has stabilized and is no longer going into a free-fall, that's a psychological prop," Mr. Wachtel said. "The market is in an oversold condition."

Before the market opened, the Commerce Department said the government's main gauge of future economic activity, the Index of Lead-Economic Indicators, rose 0.9 percent in February. The rise was in line with Wall Street expecta-

Hugh Johnson, chief investment officer at First Albany Corp., said, "Maybe those fears that the economy is going to run out of steam either this year or next year are unfounded."

week."

Texaco was up sharply. Kohlberg. Kravis,
He was referring to last week's sharp decline,
In which the Dow lost nearly 109 points and fell
ment permission to raise its stake in the common shares outstanding of Texaco to as much (UPI, AP)

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Because of the seven-hour time difference between New York and Paris until April 3, some items in the Market Summary above are from 3 P.M. New York time instead of the usual 4 P.M. Also because of the time difference, some other items elsewhere in the Business ection are from the previous day's trading. We regret the inconvenience, which is neces

sary to meet distribution requirements. 7 93 364 31 636 4472 《万年的外书记》是1977年1987年,1984

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EDNESDAY, MARCH 30, 1988

#### MADISON AVENUE

#### Vissan's Actor-Engineers **Iave Yet to Boost Sales**

By BRUCE HOROVITZ

Los Angeles Times Service

OS ANGELES - It looked like an odd couple indeed when Nissan Motor Corp. U.S.A., stuck with a stodgy image and slow sales, turned last August to Chiat-Day, a Los Angeles advertising agency known for flamboyant tele-tion commercials. Chiat-Day introduced spots that mix quick its of the cars in action with longer shots of engineers, who are tually actors, sitting around a table discussing how to build hicles to fit drivers.

The ads all end with the slogan, "Built for the toughest race of }—the human race." The central message is that each car that Ils of the Nissan assembly line is made with one thing in mind: ople. But the commercials

we yet to improve sales. For a first two months of 1988, issan car sales are down 28 rcent, while Toyota sales e up 36 percent and Honda percent. The agency chief, y Chiat, said the key to a maround will be the new odels Nissan will introduce

The message is that Nissans are made with one thing in mind: people.

Even while waiting for the new models, the ad agency has been skering with its image campaign, hoping to address some incism that the current commercials with actors posing as

gineers are not believable. After all, said Joe Opre, Nissan's advertising director, "about percent of the general public didn't believe that any company's designers think and talk as they do in our ads. The irony is,

at's exactly how they think and talk."

With this in mind, Chiat-Day wanted to substitute real enginers for the actors. But Nissan said did not want to cause any donsies by singling out individual engineers. So actors will ntinue to be used, but in a real setting - the company's design

N SAN FRANCISCO, they're calling it the War of the Rices. Thomas J. Lipton Inc. fired the first shot earlier this year when it placed billboards touting its line of Lipton rice dishes the sides of 24 of the city's antiquated cable cars.

Now for a real treat," the ads proclaim - a none-too-subtle g at Rice-A-Roni, the rice dish that for years promoted itself as he San Francisco treat" and used cable cars for its ads. The maker of Rice-A-Roni is unamused. "The cable cars are an

tegral part of our heritage and our advertising position," says andy Posa, marketing chief for Golden Grain Macaroni Co, vned by Quaker Oats. "We consider them ours."

Ted Labiner, Lipton's director of creative services, deadpans, Ve're just trying to sell some rice."

• Cuisinarts Inc. went to HBM-Creamer in Boston, a unit of mdon's WCRS Group, with its account billing about \$5 mil-m. Until recently, the account was handled in-house. • Droste USA, the marketer of Dutch chocolate, to Berenter reenhouse & Wehster

 The European operation of Corning Glass Works has as-med its Pyrex and Vision brands to Grey Advertising for all of grope, although it does not have distribution everywhere yet.

 Douglas Gluck and Marian Monsen have been elected senior presidents at SSC&B Lintas; New York.

• Blaise Mercadante has been promoted to senior vice pres

nt and head of strategic planning at Tracy-Locke-Los Angelea.

• Lee J. Ross has joined Cohen, Marino & Paino as senior vice esident, marketing-account management.

## Foreign Takeover Scrutiny Worries Investors

NEW YORK - A congressio nal proposal that would expand government scrutiny of foreign takeovers of American companies has disheartened Wall Street investors, who fear it might cool lucrative speculation in potential

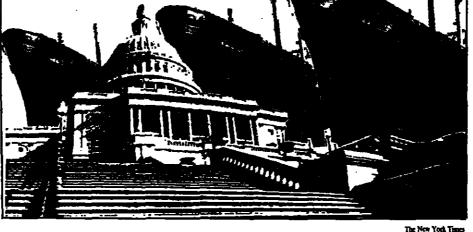
The rapidly rising stock values of takeover targets, real and rumored, have supported recent advances on the New York Stock

On Monday, congressional and White House negotiators agreed to include the scrutiny provision in a cluttered trade bill now before Congress. Its aim would be to broaden the review of takeover bids mounted by overseas com-panies and halt that might endanger national security.

The proposal broadly defines national security and would allow the president to oppose takeovers in the oil, natural resources, military and some other industries. Wall Street arbitragers, who eculate in takeover stocks, said

that news of the provision partly explained a hull in the takeover sector of U.S. share markets on Congressional aides said an

even more controversial investment amendment would be dropped from the trade bill, a provision that would require for-cign companies to register with



Congress is proposing more scrutiny of foreign takeovers as part of a wide-ranging trade bill.

of business executives of 200 ma-

than 5 percent of an American company's shares.

Treasury Secretary James A. Baker 3d cautioned last week that such a provision would reduce foreign investment just when the United States needed it most and might drive up U.S. interest rates.

Representatives of General Motors Corp., Caterpillar Inc., International Business Machines Corp. and American Express Co. Semiconductor Corp., an impor-tant supplier of microchips to the

the government if they held more byists seeking to persuade House- Defense Department, to Fujitsu than 5 percent of an American Senate conferees to jettison the Ltd. of Japan. provision. Also opposed is the Business Roundtable, composed

> jor corporations. Stock traders were unsure how much the takeovers provision involving national security would affect forthcoming deals. The government last year blocked the sale of 80 percent of Fairchild

"Is the national security going to be affected by who owns Bloomingdale's?" an arbitrager said, referring to the battle between Campeau Corp. of Canada and R.H. Macy & Co. for the Cincinnati-based Federated De-

Some analysts, noting that laws exist to bar acquisitions of U.S. See TRADE, Page 15

## **Britain to Sell** Rover to BAe for £150 Million

LONDON - The British government said Tuesday it would sell Rover Group PLC to British Aerospace PLC for £150 million (\$280 illion), well below the price that had been expected.

The conditional agreement to sell Britain's 99.8 percent stake also includes an £800 million payment to Rover by the government to put the car maker on firmer financial footing after years of losses.

In Brussels, the European Commission, the executive body of the European Community, announced that it would investigate the government's plans to help Rover, because of concerns that a write-off could in effect be a subsidy that would give Rover an unfair advan-tage in markets. The government had already said it planned to write off £1.1 billion of Rover's losses.

At the same time, the commission gave conditional approval to a government bailout amounting to 20 billion francs (\$3,55 billion) for the French automaker Renault. Analysts had expected the price for Rover to be £200 million to

ment sent BAe shares soaring.
"British Aerospace shareholders

will, no doubt, think Christmas has come rather early this year," said Lord Williams, a spokesman for the opposition Labor Party in the House of Lords. "The government is paying BAe to take Rover off its

Lord Young, the trade and in-dustry minister, said the sale was "the deal of the decade for the

The share price of British Aero-space jumped 43.5 pence, or about 12.4 percent, to close at 395.5 pence on the London Stock Exchange The small number of Rover shares traded on the exchange closed at 64 pence, down 11 pence from Monday's close. Shares in both companies were suspended earlier in the day pending the announcement.

News of the agreement helped push up the entire London market. The Financial Times-Stock Exchange index of 100 leading shares jumped by 18.6 points to end at 1,765.1, after declining more than 85 points over the previous three

trading days.
Ian Wild, an analyst at the stockbrokerage Barclays De Zoete Wedd, said that from BAe's point of view, the agreement was "far better than anyone really thought it would be." He said many analysts expected a £300 million price and a cash payment to Rover of just £500

British Aerospace said the acqui sition was conditioned on approval by BAe stockholders and on the European Commission's approval of the cash injection.

John Lawson, an automotive industry analyst with Nomura Secu-rities in London, drew a distinction between the Renault and Rover

The Renault bailout could be ra-tionalized as the only way to re-store the company to solvency, he said. But the commission should have a much more difficult time approving the Rover aid because Rover already is solvent and the aid could give it an edge over its competitors, particularly Ford Motor Co., in EC markets. "If the EC can't bare its teeth

See ROVER, Page 15

## EC Backs Plan to Reduce Renault's Debt Burden

By Jacques Neher Special to the Herald Tribune PARIS — The European Community's executive body on Tuesday approved a French govern-ment plan to forgive 12 billion francs (\$2.13 billion) in loans to the state-owned automaker Renault.

company's competitiveness by re-lieving its huge debt burden, also clears one hurdle toward a possible

The European Commission, which has been increasingly critical of government aid to ailing compa-nies, also withdrew objections to an 8 billion franc capital infusion awarded by the government to Renault in 1985 and 1986.

franc loan granted to Renault in cord car sales throughout Europe. The years of losses had saddled "Renault has a recovery program 1984 by a government innovation The company said last week that it Renault with debts totaling 46.4 under way and the capital restruc-

dered the company to reimburse the loan at prevailing commercial

The giant debt write-off was made contingent on a plan to change Renault's legal status from tate-owned automaker Renault. a regie, or state agency, to that of The plan, which increases the an ordinary, though still stateowned, company.

The government proposed the status change last fall as part of a plan to financially restructure the company. The commission began considering the plan in December. The loans and capital injections

had been granted to the automaker to prop it up through six years of losses that totaled 32.5 billion

However, the commission ruled In 1987, Renault swing back to that a low-interest 1.25 billion profitability on the strength of re-

VW Oversubscribed

FRANKFURT - The West German government's sale of its 16 percent stake in Volkswagen AG was several times oversubscribed, Dresdner Bank AG, the leader of the underwriting consortium, said Tuesday.

The subscription period ended Monday. Bonn had of-fered 4.8 million shares in VW at 238 Deutsche marks (\$140) each to raise 1.14 billion DM.

had record consolidated net earnings of 3.69 billion francs on sales of 147.51 billion francs during the

By having its loans forgiven, the company would see its debt load fall below 35 billion francs, less than the amount of its assets. Though the debt would still be high, especially compared to Renault's competitors, a company spokesman said, "We're at least go-

ing in the right direction." The move, analysts said, would save the company an estimated 1.2

billion francs a year in debt service payments. Last year, Renault's fi-nance costs totaled 4.06 billion "The reality of the matter is that

there wasn't much else for the com-mission to do," said John Lawson, automotive industry analyst with Nomura Securities in London.

billion francs, giving it a negative turing was an essential step in that net worth, with liabilities outweighprogram," he said. "The commis-sion had to take a pragmatic view-

> The commission has blocked several government aid plans with-in the EC in recent years after concluding that the aid distorted com-

Jacques Calvet, chairman of Peugeot SA, Renault's arch-com-petitor, had opposed the write-off plan, claiming it would reward Renault for its failures in the past. At one point, he reportedly had threat-ened to resign if the aid were grant-

On Tuesday, a Peugeot spokes-man said Mr. Calvet had reluctant-ly accepted the bailout plan "only on condition that this be the last time Renault benefits from state

He said that this point had not See RENAULT, Page 15

# **Currency Rates**

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aris (Paris); Bank of Tokya (Tokyo); IMF (SDR); BAI

#### **Interest Rates**

**U.S. Gauge** Of Economy **Surges 0.9%** 

WASHINGTON - The governgauge climbed a sharp 0.9 percent in February after several months of weakness following the October stock market collapse, the Commerce Department said Tuesday.

The gam in the Index of Leading Economic Indicators was the biggest since Inne. It followed declines of 1.1 percent in January, 0.1 percent in October and 1.2 percent in

cent in October and 1.2 percent in November. The drop in January was revised from the originally reported 0.6 percent. Only a 0.4 percent rise in Decen

ber kept the index from posting consecutive declines for three or more months, the traditional signal of an impending recession. A change in inventories led to the econd revision of that month's gain, first reported as 0.2 percent. Judging from the big February increase, analysts said they be-lieved the leading index is accurate ly signaling that the U.S. economy slowed in the early part of 1988 but that the country will avoid a recession this year.

The 0.9 percent gain was led by a big jump in applications for build-ing permits, which provided more than half the strength last month. In all, five of the nine available indicators contributed positively to the index. After building permits, the biggest positive factors were a drop in new memployment claims, the growth of the money supply and higher consumer goods orders.

Four indicators held the index back. The biggest negative factor was a decline in the length of the average manufacturing work week, followed by a drop in orders for plant and equipment, a change in raw materials prices and a speedup ousiness delivery times.

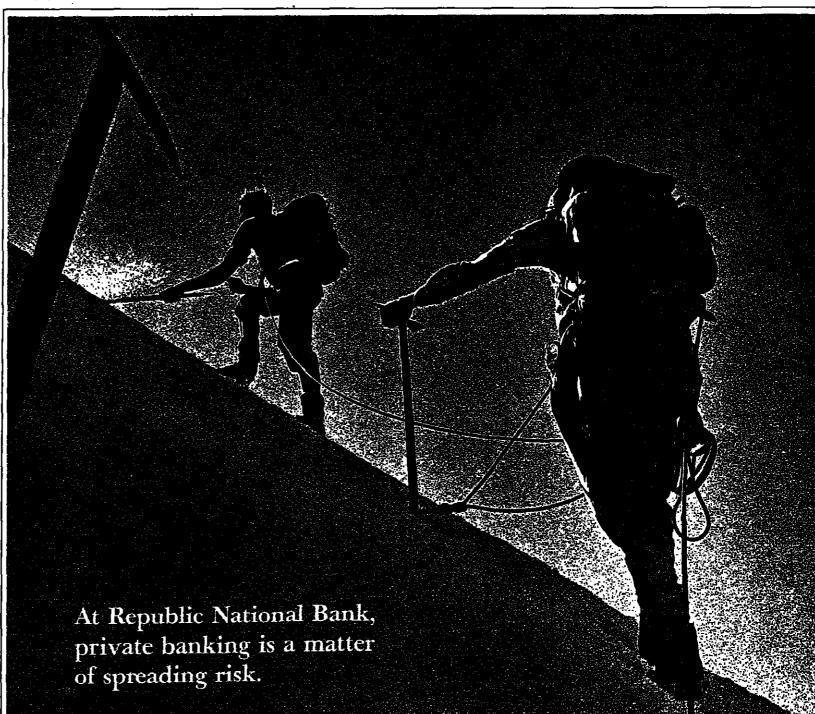
A speedup in delivery time is gative because it often reflects a decline in demand.

The jump in the February index was one of a string of recent reports showing better-than-expected strength in the economy in the early part of 1988. Many economists believe the strong reports have all but eliminated the chances of a recession this year.

■ Home Sales Rise 20.3% The Commerce Department also reported that sales of new singlefamily homes rose 20.3 percent in February to a seasonally adjusted

annual rate of 628,000 units, Reu-

ters reported from Washington. Despite the increase, the largest monthly rise since a 21 percent gain in March 1986, the sales rate for February was still 14.9 percent below year-earlier levels.



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#### **Court Rejects Appeal** By Guinness on Ruling

LONDON — The High Court dismissed on Tuesday Guinness PLC's attempt to overturn a ruling by the Panel on Takeovers and Mergers that might force Guinness to pay former Distillers Co. stockholders an additional £100 million

(\$186 million). The panel, an independent watchdog, had found that Guinness violated the panel's code of conduct during Guinness's £2.53 billion takeover of Distillers in 1986. Guinness challenged the ruling, saying it had been based on incomplete evidence, but the High Court decided that the panel had acted properly.

The court case did not concern whether the panel's findings were correct, only whether they were properly reached.

Guinness has said that as a result of the ruling it might have to pay former Distillers stockholders a total of £100 million in compensation.

Scotland Yard's fraud squad and the Department of Trade and Industry have been inpartment of Trade and Industry have been investigation.

gating Guinness's takeover tactics. Six persons, including the former Guinness chairman, Ernest Saunders, have been charged in the case. Guinness has admitted arranging for the re-purchase of its stock during the takeover of Distillers, a gin and whisky maker, to make the brewer's cash and stock offer more attractive than a rival bid.

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NYSE Highs-Lows

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AMEX Highs-Lows

#### Exports of Videotape Recorders By Japan Climbed 0.9% in Year

Agence France-Presse TOKYO — Japanese exports of videotape recorders rose 0.9 percent in February from a year earlier to 1.74 million units, the first yearon-year rise in 16 months, Electronic Industries
Association of Japan said Tuesday,
Shipments to the United States fell 10.9 percent to 893,162 units while shipments to the

European Economic Community dropped 28.5 percent to 166,054, the association said. But exports to other regions jumped 38.5 percent from February 1987 levels.

Exports of color television sets fell 28.7 percent to 245,000 units from a year earlier. The decline included an 83.8 percent drop in exports to the United States, which totaled 16,000. Production of videotape recorders rose 1.6 percent to 2.22 million units, it said, while production of color television sets declined 11.4 percent to 1.06 million.

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**U.S. Futures** 

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Prev. Doy Open Int. 49,239 48.25 45.20 45.20 45.20 45.85 47.80 47.80 48.80 147.40 148.55 149.45 150.35 ples 2 Commodity Indexes D.J. Futures N.A.
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p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974. Market Guide Chicago Board of Trade Chicago Mercantile Exchange International Monetory Marke

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Spot **Commodities** 

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Source: AP.

**Hutchison Profit** Rose 14% in '87

Compiled by Our Staff From Dispert HONG KONG - Huich Whampoa Ltd., the conglosse controlled by the Hong Kong b nessman Li Ka-shing, said Thes that net profit rose 14.8 percer 1.86 billion Hong Kong dol (\$238 million) in 1987 from billion dollars the previous year The company, with interest real estate, energy, hotels, retail and communications, said its sults were boosted by an extra nary profit of 764 million do up from 563 million in 1986. The board recommended a dividend of 24 cents, making cents for the full year after cents in 1986. These figures adjusted for recent bonus rights issues. Cheung Kong (F) ings) Ltd., Mr. Li's flagship on ny, owns about one-third.
Hutchison. (AFP, Res

## Vehicle Exports

Fell, Japan Says TOKYO — Exports of hybrideled vehicles fell 0.3 perod February from a year earlier 528,605 units, the Japan Ametive Manufacturers Associated Tuesday. Passenger car exports rose percent to 369,740 units, it while truck exports fell 62 ps to 155,442 units and bus con-rose 13.7 percent to 3,423 units

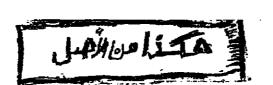
Herald Eribune Reaching More Than a Third of a Million Reades in 164 Countries Around the World

London Commodities

199.00 199.60 199.00 204.00 199.00 202.60

199.80 199.60 199.80 204.00 199.00 202.20

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2,49 1,76 1,97 0,59 0,54 0,54

**US.Treasuries** 

Disc Bid 5.79 6.04 6.29 Offer 9.77 6.07 6.37

Bid Offer 30-yr. bond 109 (3/32 700 15/32

Prev. Yield 584 6.22 6.70 Prev. Yield 8.49

Yield 5,94 6,30 6,79

Est, lotal vol.; 9,150

#### **JUSINESS ROUNDUP**

### Kohlberg, Kravis Seeks to Raise Stake in Texaco

United Press International

that it had asked the Securities and NEW YORK — Texaco Inc.'s Exchange Commission for permisson ock rose sharply Tuesday after sinvestment banking firm Kohlage Kravis now owns 11.9 (Kohlberg, Kr

Texaco stock rose \$2.875 in late shares outstanding. A spokeswom- in February 1987. ading to \$47.50 a share on the an declined to say whether it was ew York Stock Exchange after interested in purchasing Texaco. stockholder and chairman of Trans

Carl C. Icahn, Texaco's largest ohlberg, Kravis's announcement New York-based Kravis is a spe- World Airlines Inc., said he was

But Texaco's president, James W. Kinnear, dismissed Mr. Icahn's comment on selling the company.

"He does a lot of talking, but Texaco is not for sale," Mr. Kinnear said after a speech in San Antonio, Texas, to the National Petroleum Refiners Association. My prediction is he will not take

Mr. Kinnear confirmed that Texaco was negotiating with forommunications operations to en-ble it to compete on global mar-ventures as it prepares to emerge able it to compete on global mar-kets. STET's U.S. representative from bankruptcy protection. A said Monday that IRI may float up judge last week approved Texaco's to 49 percent of STET's shares after \$5.6 billion reorganization plan, which will allow the third-largest U.S. oil company to emerge from Chapter 11 proceedings on April 7.

"We're going to end up with a smaller company that will be more focused on making money," Mr.

#### In Switch, Roper Backs GE Bid Over Whirlpool's

AUGUSTA, Georgia — Roper Corp.'s board switched sides on Tuesday, recommending that its stockholders sell their shares to General Electric Co. instead of Whirlpool Corp.
Withdrawing its March 18 recommendation of Whirlpool's \$470

million bid, the board said GE's that \$507 million tender offer was clearly financially superior.

It said that discussions with Whirlpool "have not to date led Whirlpool to propose an increase in the price offered for Roper

The battle began in February when Roper, an appliance maker, said it had agreed to be acquired by Whirlpool for \$37.50 for each of

Roper's 9.4 million shares outstanding, or about \$352.5 million. General Electric, a competitor of Whirlpool in home appliances, then entered the fray with a bid of \$45 per share, or \$423 million. Both companies have since increased their bids, with GE's currently at \$54 per share and Whirlpool's at \$50.

In federal suits, GE has claimed that the Roper board failed to tell stockholders of an interest GE had expressed earlier in the company and Whirlpool complained that GE was trying to sabotage an already announced deal. Hearings are scheduled this week in Whirl-

The board said Roper stockholders should withdraw their shares already offered to Whirlpool and tender them to GE instead. Whirlpool, in a statement from its Benton Harbor, Michigan, beadquarters, said the company would continue to pursue Roper.

#### ESPRIT SICAV

**EUROPEAN PARTNERS INVESTMENT TRUST** Registered Office: 2535 Luxembourg

20 Boulevard Emmanuel-Servais R.C. B 24189

Notice is herely given that the

ANNUAL GENERAL MEETING

of the Shareholders of ESPRIT SICAV will be held at the registered office of the company at 11:00 a.m. on April 15, 1988. AGENDA

- approval of the reports of the board of directors and of the statutory auditor;
- 2. approval of the balance sheet and the profit and loss
- payment of a dividend; 4. discharge of the directors and the statutory auditor in respect of the carrying out of their duties for the year ended December 31, 1987;
- 5. re-election of the directors and the statutory auditor for a new statutory term;

6. miscellaneous business as may properly come before the

 $\boldsymbol{\mathsf{meeting}}.$  Resolutions on the above mentioned agenda will require no quorum and the resolutions will be passed at a simple majority of the shares present or represented at the meeting. A shareholder may act at any meeting by provy.

> On behalf of the company BANQUE PRIVEE EDMOND DE ROTHSCHILD Luxembourg branch 20, Bld. E. Servais, 2535 Luxembo

## Nivetti in Telecom Talks With AT&T, STET

MILAN — Olivetti SpA of Italy discussing a possible telecommications alliance with American Telephone & Theorem 19 m Telephone & Telegraph Co. mpany STET SpA, Olivetti's airman, Carlo de Benedetti, said an interview Tuesday.

STET's parent company, Istituto r la Ricostruzione Industriale, as been seeking an international lecommunications accord since

By James Sterngold

New York Times Service NEW YORK -- Asher B.

Edelman, the corporate takeover

specialist, rarely walks away from a deal without making money. Yet when faced recently

with the need to put up more

capital to buttress Ponderosa,

the steakhouse chain he owned

he chose to sell at no profit,

walking away from a potentially

Metromedia Co. bought Pon-

derosa last month for precisely what Mr. Edelman and his part-

than a year ago, according to several professionals close to the

Therein lies a tale of how a strategy backfired, leaving its ar-chitect, Mr. Edelman, a bit less

popular among the financial backers of his plan, according to Wall Street professionals. It also shows how highly lever-

aged deals such as the Ponderosa

acquisition, which are dependent

The problems also suggest, ex-perts said, that since the stock

market collapse on Oct. 19, fi-nanciers are likely to be wary of

tending to raiders who are finan-cial engineers and have no exper-

tise in operating companies.

After Mr. Edelman sold to

Metromedia, Shearson was

laced in the awkward position

f making an \$8.5 million inter-

t payment to investors in the

ik bonds that Mr. Edelman's

n sold to finance the buyout.

It is highly unnsual for an un-

n stepped in to protect its cus-

....ke such a payment, but Shear-

Mr. Lawson said.

1986, talks between the gov-

nt and both Ford and Generators Corp. of the United

borted after heavy criticism

er made 467,600 cars in

compared with a peak of 1.27

in 1973. Its share of the

market has slipped to about

maker, in July 1984 and the

Rover car maker and the

and restructured. It reported the commission.

Rover utility vehicle maker.

id truck operations last year. group is made up of the

government took over the aker, then called British Ley-in 1975 to prevent its col-

**人民教才对** 

writer of a security to have to

on the quick sale of assets, can

sour when markets turn.

ners paid for their interest more

lucrative deal.

private transaction.

"I do not deny our participation in three-way discussions," Mr. de Benedetti reportedly said in an interview with the financial daily Il-Sole-24 Ore. He said one objective of the talks was an agreement on shareholding levels.

A Buyout Backfires on a Top Gun

that position because Mr. Edel-man failed to divest a Ponderosa subsidiary quickly, a sale on which the deal was premised.

The proceeds from that sale

were to be used to meet a \$42.5 million payment to Ponderosa's commercial bank lenders, due on

And, if Ponderosa missed that payment, the banks would not

The Ponderosa

deal soured along

with the market.

permit the company to make the

interest payment to the iunk

bond holders, which was due on

March 15. In fact, the banks have

not been repaid yet, and are waiting for Metromedia to con-

chide a real estate sale that is

expected to generate the cash. Mr. Edelman began his drive

to acquire Ponderosa, which

owns or franchises more than 600 steakhouses, in November 1986. Ponderosa's board eventu-

ally accepted an offer of \$29.25 a

share. That meant that he would be paying about \$300 million for

the company, including the as-sumption of certain debts and

Shearson Lehman made a

bridge loan of \$150 million to help complete the transaction,

and a group of banks led by Marine Midland and Banque

a \$125 million offering of high-

yielding, low-quality "junk bonds" to help repay its bridge

In June, Shearson underwrote

OVER: U.K. Selling Group to BAe for £150 Million

inned from first finance page) a pretax loss of £21.6 million in ploying 140,000 people in the Unit-violake a fight on this one, it will 1987, compared with a loss of that it really doesn't have that it really doesn't have control over state aid po-

would produce a "truly world-class

liament. Many members op-the idea of selling Rover to a RENAULT: EC Backs Debt Relief

(Continued from first finance page)

been addressed by the commission,

but was likely to come up when the French legislature begins to debate

By transforming Renault into an

changing Renault's legal status.

ordinary company, or société anon-yme, the government would be free

to sell off part or all of its Renault

"As an ordinary company, Re-

to acquire parts of Rover of more than £5 billion and em- investors.

about \$10 million in fees.

Paribas lent \$160 million.

nds. Shearson was forced into preferred stock was sold to inves-

The state industrial holding over the company." company IRI said last week it was planning a restructuring of its telethe restructuring.

of the talks was an agreement on shareholding levels.

Separately, Compagnie Industriali Riunite SpA, Mr. de Benedetti's Italian holding company, rethat a STET-Olivetti alliance "is a ported that net profit rose 21 nurse with a subsidiary of the tonaker Fiat SpA.

that a STET-Olivetti alliance "is a ported that net profit rose 21 percent in 1987 to 66.5 billion lire tonaker Fiat SpA.

(\$54.07 million).

tors. That left Mr. Edelman and

his partners with a total equity investment of just \$8.6 million.

nearly \$300 million, from \$66.5

million before the buyout. As long as sales continued to grow,

the financial backers felt, Pon-

derosa would be able to pay

down the debt and earn a huge

The deal was premised on the

sale of ESI Meats, which pro-

vides beef for Ponderosa, and

Casa Lupita, a Mexican restaurant chain. Casa Lupita was sold

m August for nearly \$17 million.

emerged as the leading bidder for ESI Meats. According to sev-

eral professionals, it was willing to pay almost \$45 million.

the price at the last minute, Mr.

Edelman stepped in and said United Stockyards, another

company he controls, would buy

ESI for \$46 million. Then came

United Stockyards told the in-

vestment bankers on Jan. 6 it had decided not to buy ESI because it

could not raise the money it

needed, at terms it was willing to

pay, by selling securities.
"It turned the second-best

year in Ponderosa's history into a very difficult situation," said

Joseph E. Francht, a group vice

Even with the generally strong performance overall, sales were

beginning to soften toward the

end of last year. The company

realized that it would need addi-

tional equity capital.
When Mr. Edelman made

clear that he was not willing to

put up the \$8 million to \$10 mil-

BAe said it intended to purchase

ter Jacques Chirac in December aborted plans to put the change of

status before a special session of the National Assembly.

Observers believe the question is too sensitive to debate during the

spring session, during which presi-

dential elections will be held. They

President François Mitterrand, a

Socialist, who is running for re-

election, has not expressed his views on the proposed status

search began for a buyer.

767, Compared with a loss of estinguoin and overseas.

455.6 million in 1986.

British Aerospace, which has reRoland Smith, BAe's chairman, cently announced job cuts, has said the combined companies promised to protect jobs at Rover.

manufacturing group, with an annual turnover of £7 billion, exports shares, which are held by private

shares and the company would be predict the issue probably will not be considered by the legislature be-

fore September.

president at Banque Paribas.

the Oct. 19 stock collapse

But when it sought to lower

By the fall, Rymer Co. had

profit for all.

Ponderosa's debt soared to

#### TRADE:

#### Investors Worried (Continued from first finance page)

weapons makers, said the provision would not have a big impact. "I'll regard this as simply restating the existing authority" to prevent foreign takeovers if they threaten national security, said

Lawrence Fox, vice president of the National Association of Manufac-But others were more pessimistic, citing previous government in-volvement in a number of takeover contests. Last week, for instance, the state of Pennsylvania supported Koppers Co., a Pittsburgh-based construction and building materials company, which is trying to thwart a hostile bid from the

"This part of the trade bill is not helpful at all," one arbitrager said.
"There is a real fear of backlash reainst the takeovers.

British construction group Beazer

More than any other group in the stock market, share speculators are vulnerable now. They were among the hardest hit in last October's market collapse, which battered takeover stocks, and few have recovered their losses, analyst say.

"The arbitragers are nervous," one stockbroker said. "They have memories of October." Other traders worry that a slow-

down in the takeover sector would strip the stock market of its only obvious leader. The takeover agree ments so far this year have a total value of \$90 billion, involve some of the biggest companies around the world and fuel activity in the

stock markets. Many U.S. workers, laid off as a result of takeovers, have protested against acquiring companies, raiders and the investment banks that arrange the multibillion-dollar

Indigo Take-off

Lotus Development helped boost the Apple Macintosh market by placing its 1-2-3 program with 5 million users. Write, phone, face or teles for comprise in-volved-as Apple new supplies compact disc readers for the Lotus audience, with hoth reads for the supplies com-

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## INFORMATION

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#### THE NATIONAL INVESTMENT BANK OF THE NETHERLANDS

The National Investment Bank of the Netherlands, established in The Hague, is a major independent investment bank in the Netherlands. It operates as a wholesale bank specialized in medium term financing, equity participations, capital market operations and stockbroking, project financing and financial consultancy to the corporate sector and government institutions. The Bank's commercial organization is organized on an industry basis as well as a product basis and has an increasingly international involvement.

The Bank has strengthened its position over the last few years



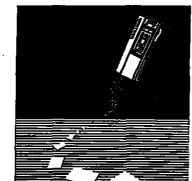
fields of operations. Net profits have increased from Dfl. 36 million (1985) to Dfl. 57 million (1987). Net profits per share amounted to Dfl. 57,30 in 1987. Total assets amounted to Dfl. 6,3 bil-

## of Saab-Scania Group.

The Board's proposal for dividend SEK 6.75 per common share.



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Vienna and in Paris. The bank is active through its branch network in all parts of the world: in the USA (five outlets), in Japan (two outlets), in South America, in China (Beijing), in Hong Kong, in the Middle East, in Africa and in Europe. The number of outlets comes to roughly 400 altogether. Information on BAYERISCHE VEREINSBANK'S top-quality shares can be had under our Munich telephone num-ber (089) 3884-8811.



THE YEAR END REPORT 1987 IN SHORT:

Consolidated sales SEK 41 billions, + 18 percent, Consolidated income SEK 3.6 billions, + 8 percent. Return on copital employed 23.1 percent (25.2), Income per share (after full tax) Sek 30.30 (27.20), Income per share (ofter taxes poid) SEK 40.60 (36.40). Charge to income of SEK 50 m. to a Jubilee Fund for Group employees. Issue of convertible debentures to employees





STC PLC 1987, record results. STC, the communications and information systems group reports record levels of turnover, profit and cash. Overall turnover in-



creased 7 percent, pre-tax profit +40 percent, net cash +430 per cent. "The momentum of the business has continued strongly throughout 1987... We look forward with confidence to further growth in the coming year."

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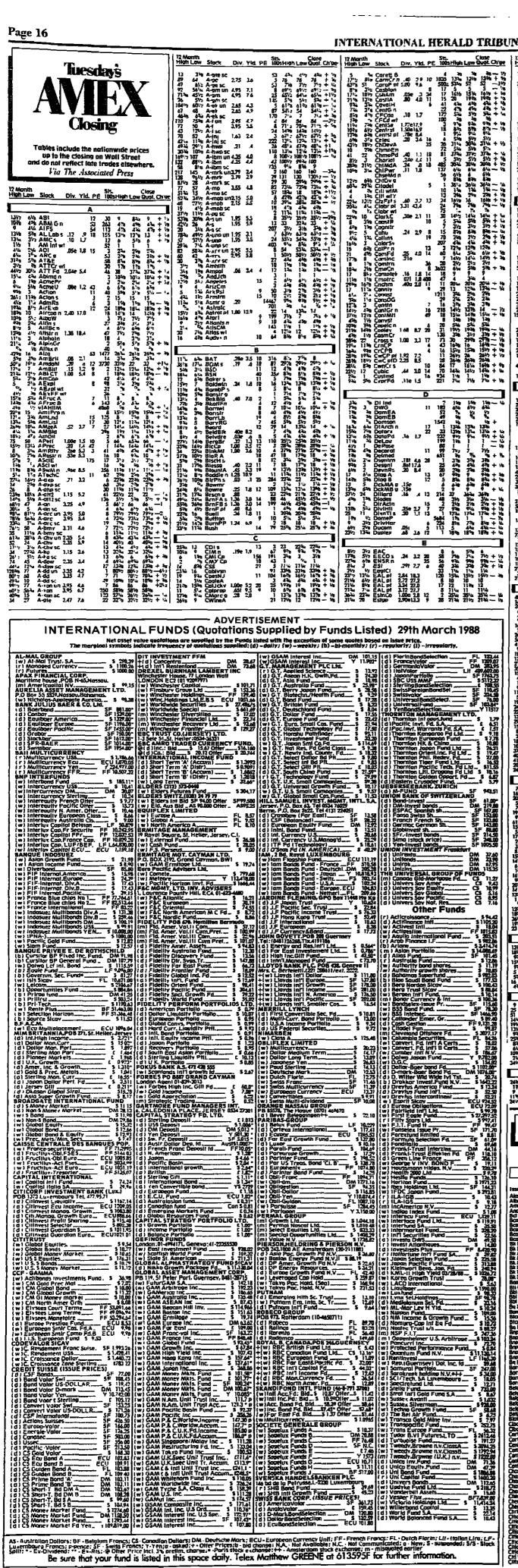
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Be sure that your fund is listed in this space daily. Telex Matthew GREENE at 613595F for further information.

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## **Jollar Rises in N.Y. on Reported Intervention**

NEW YORK - The dollar adaced Tuesday in active trading in w York and Europe on shortvering and reported intervention

The British pound also surged as exvention by the Bank of Japan d comments by officials curbed a ent flight out of dollars into yen. alers said, and investors took an-

yer look at sterling. The dollar, which had fallen for ee consecutive days, was stronragainst all major currencies. The U.S. currency closed in New rk at 1.6685 Deutsche marks, up m 1.6555 DM Monday, and at 5.20 yen, up from 123.75. It engthened to 5.6535 French ncs from 5.6105 and to 1.3785 iss francs from 1.3655.

which closed at \$1.8655, down from \$1.8715 Monday.

**London Dollar Rates** 

The dollar rose early in New York against the yen after the Fed-eral Reserve, the U.S. central bank, reportedly bought dollars. Dealers said the Fed may have stepped in at mid-morning to buy a modest amount of dollars at around 124.50

They said the intervention may It also gained against the pound, have come as the dollar was retreat-

ing from its early highs of around 125.15 year, made on short-covering prompted by Bank of Japan intervention in Tokyo overnight.

In London, the dollar closed at 1.6615 DM, up from 1.6600 at Monday's close; at 124.78 yen, up from 124.17; at 1.3745 Swiss francs, up from 1.3700; and at 5.6315 French francs, up from

The pound soared in London to close at \$1.8705, up more than a cent from \$1.8595 on Monday. It ended at 3.1073 DM, up from

Earlier, the dollar had closed higher in Tokyo after intervention by the Bank of Japan and coments by Finance Minister Kiichi Miyazawa that the government would take "every possible step" to stabilize foreign exchange rates. "Each nation thinks this is the

situation where they should stabilize exchange rates in line with the G-7 agreement," he said. He was referring to the accord

reached in December by the Group of Seven, which includes the United States, Japan, West Germany, France, Britain, Canada and Italy. "We're seeing some pragmatic fixed in Frankfurt at 1.6664 DM, profit-taking," in yen, said Eckhart up from 1.6654 on Monday, and in Hager of Chase Bank AG in Frankfurt, "and a shift of funds into down from 5.6490. sterling now it seems clear U.K. rates won't come down." He was speaking after Prime Minister Mar. on Monday.

garet Thatcher of Britain told Parliament that there was no policy split between her and the chancellor of the Exchequer, Nigel Law-

"Both Mr. Lawson and I put downward pressure on inflation as topmost priority." Mrs. Thatcher said. "Both of us think interest-rate stability can be very useful to industry.

The government recently allowed the pound to rise above an unofficial ceiling of 3 DM.

There were reports that Mr. Lawson had been against allowing the pound to increase in value but that he was overruled by Mrs. Thatcher. A stronger pound could hurt exports and corporate profits. The pound drew early strength from rumors that Mr. Lawson might resign, which were officially denied.

remarks Monday by the governor of the Bank of England, Robin Leigh-Pemberton, that the authorities would promote exchange rate stability as long as it did not threat-en anti-inflation efforts. Earlier in Europe, the dollar was

The dollar closed in Zurich at 1.3770 Swiss francs, up from 1.3755

Rise of Won Hurts Seoul's Olympics Plans

Agence France-Presse SEOUL - The appreciation of the South Korean won against the U.S. dollar has adversely affected the Seoul Olympics accommodations budget and organizers say they expect to take in 20 percent less than had been estimated.

Charges were set two years ago in dollars for the athletes. officials and journalists expected to arrive by the thousands for the Summer Games in September.

The won rose 8.7 percent against the dollar last year and has already risen 6.2 percent this year. A further increase of 4 to 9 percent is expected by September. The won is now around 148 to the dollar.

About 13,600 athletes and officials will pay \$42 for rooms and three meals a day and 6,000 journalists will pay \$45 to \$65 a day in the press vil-

The 240,000 tourists expect ed for the Games will not benefit from the won's apprecia-tion, however, as all Seoul hotels charge in won.

## **Accord Emerging on Stronger GATT**

### Clout of Trade-Regulating Body Would Rival IMF's

New York Times Service GENEVA - An international consensus is emerging in favor of tries in Europe have generally strengthening the General Agreement on Tariffs and Trade by giving the organization new authority to review national trade policies.

The proposed changes would give GATT a status equivalent to that of the World Bank and the International Monetary Fund in economic policy-making, diplomats here said.

Moves to strengthen GATT as a regulator of world trade are expected to form a central part of an interim package of liberalization measures that will be considered by the organization's 90-plus member countries in December.

The countries will gather in Montreal to review progress at the halfway point in what is known as the Uruguay round of talks, these officials said.

Plans to give GATT more power and a higher political profile received an important boost earlier this month at an informal meeting of about 30 trade ministers in West Germany, when the European Community countries came out strongly in favor of such moves.

The proposals have already won broad support from the United States, Canada, Japan and most other industrial and developing

The only losers are the selling banks, which would receive less

than they lent Brazil years ago.

Washington has frequently pressed for greater GATT power to resolve trade disputes, but countries in Europe have generally op-

The European Community's commissioner for external affairs, Willy De Clercq, told the meeting in West Germany that GATT would need greater political weight and prestige if it were to deal successfully with tensions in the inter-

national trading system and defeat protectionist tendencies. Diplomats in Geneva believe that all of GATT's members are interested in strengthening the freetrade system. They recognize that the organization is not succeeding in its mission of preventing protectionism and that additional trade restrictions could push the world back into recession.

While details remain to be negoshould regularly examine countries' trade policies to insure that trade policies to insure that tools action, officials said. uries' trade policies to insure that members are satisfying their free-trade obligations. When they do not, GATT would assess the countries for the cost of their protectionist measures.

\*\*U.S. Seeks Panel Ruling\*\*

The United States will ask GATT to set up a dispute panel to rule on Japanese import restrictions on farm products and South

of finance ministers organized by the IMF and the World Bank.

The European Community has suggested that business leaders and farmers with an interest in freer world trade attend these ministerial meetings as observers, just as top bankers and development experts attend annual ministerial meetings of the IMF and the World Bank. This, Mr. De Clercq argued.

would help GATT build a privatesector constituency in favor of free trade inside its member countries. Finally, there are plans to create a new, smaller group of trade ministers from about 18 countries that would meet twice a year to review

issues, resolve crises and give greater prominence to GATT. The plan for GATT to examine members' trade policies on a regular basis parallels the annual reviews the IMF makes of member tiated, participants in the Uruguay
round broadly agree that GATT
force changes on a country, but it countries' economic performance.

GATT plans to hold a big meet-ing of world trade ministers, proba-Korean restrictions on beel imbly every two years, to review the ports, a GATT spokesman said international trade situation. Governments hope these meetings will report from Geneva. The request become as prestigious and well-about Japan could refer to beef or publicized as the annual meetings citrus imports or both, he said.

#### Malaysia Growth Rate Up As Manufacturing Surges

KUALA LUMPUR, Malaysia — Manufacturing overtook agri-alture as the most important sector of the economy for the first time n 1987 as the country's growth rate nearly quadrupled to 4.7 percent, the central bank said Tuesday. The growth rate of Malaysia's gross domestic product, adjusted

or inflation, compared with 1.2 percent in 1986.

Manufacturing accounted for 22.4 percent of GDP in 1987, while agriculture accounted for 21.5 percent, the central bank's governor, fan Sri Jaffar Hussein, said.

The economy swelled on strong demand for Malaysian exports, which rose 26.5 percent in 1987 to 45.2 billion ringgit (\$17.66 sillion), Bank Negara Malaysia said in its annual report. That compared with a fall in exports of 6 percent in 1985, and of 6 percent in 1986, the central bank said. Manufactured goods led aports, rising 32.7 percent to 20.3 billion ringgit. Imports climbed 4.6 percent to 32 billion ringgit, after falling 8.3 percent in 1986. Manufacturing output rose 12 percent in 1987, compared with an ncrease of 7.5 percent in 1986. Textiles and electronics performed

articularly well Mr. Jaffar said that signs pointed to a rise in GDP, the country's otal output of goods and services minus income from abroad, of

The report said that external demand was the major impetus of the expansion in both manufactured and agricultural exports. It said growth had come mainly from the private sector, with foreign rvestors playing a major role.

"Sharply higher corporate profits and emerging pressures in plant apacity have strengthened business confidence and generated more lans for private sector outlays," it said. The report outlined statistics confirming Malaysia was well out of

ts worst recession. They included: A record merchandise trade surplus of 14.7 billion ringgit last ear, up 67 percent from 8.8 billion in 1986,

 Negligible inflation. The consumer price index, base 1980, rose ).8 percent last year, against 0.6 percent in 1986.

## Brazil Hopes to Reduce Its Debt by \$4 Billion in Auction

ers awaited the start of a Brazilian a factory or buy shares on the Braauction Tuesday, they were hoping zilian stock exchange for less than it would draw enough investors to the usual cost.

to convert Latin American debt, businessman who is considering Brazil is seeking to transform exist- say, Argentina, Mexico or Brazil

co's debt by only \$1.1 billion. Brazil's low credit rating. Brazil has against the \$10 billion it had set as a shaky economy and it stopped

vestors from around the world.

An auction benefits Brazil both

York secondary bond market for as by reducing its debt and giving a little as 50 cents per dollar.

United Press International boost to industry. Foreign inves-RIO DE JANEIRO — As bank-tors benefit because they can build

cut \$4 billion from the country's troublesome \$113 billion foreign debt this year.

In the latest in a number of plans

In the latest in a number of plans ing debt into cut-price investments. might well be swayed by this fi-Last month, a plan to swap for-eign debt for bonds reduced Meai-The plan is attractive because of

a goal.

Brazil's auction, on the Rio de
Janeiro stock exchange, was expected to attract financiers and independent of the stopical paying interest on most foreign debt for much of last year.

Many bankers feel that Brazilian debts are not worth face value.

The Brazilian government aims ders for every lot. The winners will to take advantage of that low price, effectively splitting the difference most debt for every dollar of inwith a potential investor.

If an American businessman wants to build a \$10 million factory in Brazil, for example, he can go to the auction and offer to convert the auction and offer to convert perhaps \$12.5 million of debt into \$10 million of investment, thus giving Brazil a 20 percent discount.

If this offer incomment, the six offer incomment is the six offer incomment in the six offer incomment. ing Brazil a 20 percent discount.

If this offer is accepted, he then can buy the necessary \$12.5 million less than face value.

of debt paper in New York for perhaps \$8 million.

Thus the businessman saves \$2 million on the cost of his factory the stock exchange, although there

The first auction is limited to

and Brazil wipes \$12.5 million off are rules to prevent too much local

industry falling into foreign hands. Mr. Naves said many multina-

## 1992: Great Expectations

BRUSSELS — Creating a genuine common market by 1992 could be worth \$250 billion a year to the European Community and could produce up to five million new jobs, according to an EC study published Tuesday.

The 12-nation community has set 1992 as a target date for establishing an internal market in which goods, people, capital and services would be able to move freely across borders. The idea is to boost trade, growth and competition and create a bloc big enough to fend off U.S. and Japanese competition.

The study, which took two years to complete, is the first official EC attempt to quantify the benefits of ending trade barriers.

Initial conclusions were that completing the internal market would boost Europe's gross domestic product, the value of all goods and services produced, by up to five percent. Suffer competition would force consumer prices down by 6.1 percent.

Increased trade and growth, and the end of red tape at frontiers, would not about 200 billion European currency units, or about \$250 billion, the study said. It said that coordinated policies could create five million new jobs.

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MASDAQ prices as of 4 p.m. New York time. piled by the AP, consists of the 1,000 securilies in terms of dollar value. Is updated twice a year. Via The Associated Press

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#### Ebro, Target of Kuwait, Says Bid Conflicts With Islamic Ethic on Alcohol

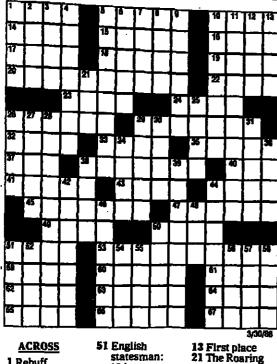
MADRID — Spain's largest alcohol distiller. Ebro Compañia de Azucares & Alcoholes SA, currently the target of a takeover bid from the Kuwait Investment Office, said Tuesday it had told the Kuwaiti parliament that the bid conflicted with Islamic business ethics.

A spokesman for Ebro said a letter had been sent Monday to the president of Kuwait's parliament detailing Ebro's distilling interests.

The letter explicitly referred to the Islamic code of business ethics, which bars businesses from engaging in alcohol-related activities, the spokesman said.

The Kuwait Investment Office began a bid for Ebro on March 16 through a Spanish company, Torras Hostench SA, in which it holds a 45 percent stake. Torras already owns around

5 percent stake. Torras already owns around 6 percent of Ebro.



1 Rebuff 5 Twinklers 10 A theater award 14 Capsule 15 Red dye 16 Crucifix

17 Talented terrier 18 Skirt style 19 "Clair de —," Dupré painting 20 Ancient British

monument

22 Bates or Thicke 23 Jog 24 Durban currency 26 Unpaid debt 29 Lived god 33 First king of

Israel 35 Andrea -Italian statesman 37 Ad ---committee 38 Flintstone tot 40 Women's org. 41 Tarsus 43 Exuberance 44 River to the

symbol 9 Scoffs 10 Disney World Indian Ocean 45 Hard rubber 47 Bizet beauty

DENNIS THE MENACE

'MY DAD IS SO 600D, HE CAN TYPE WITH JUST ONE FINGER!

NEEYM

**AXORB** 

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Arankfurt
Geneva
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Pringue
Reyklovik
Reme
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<u>OCEANIA</u>

JUMBLE THAT SCRAMBLED WORD GAME

by Henri Amold and Bob Lee

WEATHER

<u>ASIA</u>

51 English statesman: 18th century 53 Sea urchin 59 Lillian or Philip

Shriver 66 Nourishes

City of the Huguenots

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1 Dieters'

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25 Helps 26 Baile ~ Cliath **60** Curtail (Dublin) 61 Exec's car 62 Midwest 27 French waterway tribesman 28 Lowest point 63 Solitary one 64 "What's — 29 Moscow for me?' 30 Queen of scat 31 Actress 65 Dawber and

> 34 Help a bood off Galway 38 Writes 39 Cryptog-raphers 42 Detests 44 Garden

ANDY CAPP

© 1986 Daily Mirror Newspapers, Ltd. Dat. by North America Byndicate, Inc.

WAS YOUR PARTY A SUCCESS, FLD?

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11 Former name of a Colorado 56 Queue 57 Former African leader 12 Scottish isle New York Times, edited by Eugene Maleska

**PEANUTS** OR SOMEWHERE, THEREABOUTS, NEARBY, CLOSE TO, OR ALMOST. AWAKE! THE INSWER IS WELVE"

BLONDIE ACTUALLY -HERE'S YOUR SEELING SREAT-AUNT MYRTLE WHEN SHE RETIRED SOME

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> JUDGE FOR YOURSELF — THE MAIN TOPIC OF CONVERSATION WAS ABOUT WHO INVITED THE HOST!! WHAT SORT OF TIME DID I HAVE, PET?

WIZARD of ID THAT'S
THE MOST
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STATEMENT I'VE HUNS HAVE CAPTURED BURNERPO

REX MORGAN THAT'S RIGHT—HAVE MISS BALLARD WAIT THERE LINTIL DR. CASEY LOOKS AT THE X-RAY FILM!



NICE THAT HE

DISPLAYED

IT 50 PROMINENTLY

ARE YOU

KIDDING?

T'S THE ONE

SPOT HE CAN'T SEE

GARFIELD WHEN I CAN'T SLEEP, IT SEEMS LIKE EVERY SOUND IN THE HOUSE IS MAGNIFIED THUD THUD THUD JAM DAVPS **BOOKS** 

AMERICA INVULNERABLE: The Quest for Absolute Security From 1812 to Star Wars

By James Chace and Caleb Carr. 367 pages. \$19.95. Summit Books, 1230 Avenue of the Americas, New York, N. Y. 10020.

Reviewed by Richard Rhodes

HISTORICAL perspective is a rarity in national security affairs, where threats often emerge ex nihilo to rationalize presidential whim. "America invulnerable" is a feast of historical perspective, tracing the American obsession with absolute security from Star Wars all the way back to the burning of Washington in 1814.
"For more than two centuries," as James

Chace and Caleb Carr summarize their argument, "the United States has aspired to a condition of perfect safety from foreign

When the United States was new and weak, absolute security as a goal of American foreign policy perhaps made more sense. The threat came from the European powers, especially

England and Spain.
In the later chapters of "America Invulnera-ble," however, which examine American for-eign policy since the end of World War II, I find an overwhelming omission and certain egregious errors of fact.

In their discussions of the years since 1945, Chace and Carr often write as if the introduction of nuclear weapons changed only the military side of the security equation, citing what they imagine to be "the essential irrelevance of nuclear weapons to conventional diplomacy." They deduce, for example, that the resolution of the Cuban missile crisis "has as much to do with [President Kennedy's] willingness to meet Khrushchev's adventurism forcefully through the conventional avenues of tough bargaining and a naval blockade as it did with any implicit threat to launch a nuclear strike against Russia." That's not what the Soviets said.

The fact is that nuclear threats, implicit or explicit, have figured in all the major crises and conflicts the United States has confronted since the end of the second World War. The balance of terror has forestalled those crises and limited those conflicts even at the price of stalemate or defeat. Nuclear weapons have forced the United States, as they have forced

Solution to Previous Puzzle GA OL ATRIA GRANDSTAND NOUN
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that other greatly insecure modern nation Soviet Union, to manage its relation circumspection; diplomacy since 1945 been conducted in the shadow of the b The very insecurities that Chace and demonstrate make it all but inevitable the

two superpowers would otherwise long have found themselves at war. Chace, a former managing editor of Po Affairs, and Carr, an independent sel conclude as Niels Bohr and others conclude before them that the new knowledge of he release nuclear energy forces us to accept tive, rather than absolute, security,

Richard Rhodes, the author of "The Me of the Atomic Bomb," wrote this review for Washington Post.

BEST SELLERS

The New York Times
This list is based on reports from more than 2000 book
aroughout the United States. Weeks on hist are not asig

FICTION THE ICARUS AGENDA, by Robert Lod. THE BONFIRE OF THE VANITIES by

TOM Wolfe
HOT MONEY, by Dick Francis
TREASURE, BY Clive Castler
PRESUMED INNOCENT, by Scott THE TOMMYKNOCKERS, by Stephe King INHERITANCE, by Audith Michael THE SHELL SEEKERS, by Rosesson

Pilcher
PATRIOT GAMPS, by Tom Claney
2061: Odyssey Three, by Arthur C. Clarke
KALEIDOSCOPE, by Danielle Seel
THE TENANTS OF TIME, by Thoms Flanagan
S., by John Updike
MORTAL FEAR, by Robin Cook
LIGHTNING, by Dean R. Koontz NONFICTION

TRUMP: The Art of the Deal, by Donald
J. Trump with Tony Schwartz
THE RISE AND FALL OF THE GREAT
POWERS, by Paul Kennedy
THE PUNIT ON CHAOSE AT THE POWERS, by Paul Kennedy
THRIVING ON CHAOS, by Tom Peters
THE PRIZE PULITIZER, by Romanne Pu LOVE, MEDICINE & MIRACLES, by LOVE, MEDICINE & MIRACLES, by Bernit S. Siegel
KEEPING SECRETS, by Suzanne Somes
CHAOS, by James Gleick
BATTLE CRY OF PREEDOM, by James
M. McPherson
OSCAR WILDE, by Richard Elimana
DETOUR, by Cheryl Crange with Cliff Jahr
THE GREAT DEPRESSION OF 1990, by
Ravi Batra
THE CLOSING OF THE AMERICAN
MIND, by Allam Bloom
THE CAT WHO CAME POR CHRISTMAS, by Cleveland Amory

MAS, by Cleveland Amory
SPYCATCHER, by Peter Wright with Pan Oreengrass
15 DONNIE BRASCO, by Joseph D. Pistone
with Richard Woodley ADVICE, HOW-TO AND MISCELLANEOU

THE 8-WEEK CHOLESTEROL CURE, by Robert E. Kowalski.
ELIZABETH TAKES OFF, by Elizabeth Taylor
WEIGHT WATCHERS OUICK AND
EASY MENU COOKBOOK, (New American Library)
WEBSTER'S NINTH NEW COLLEGIATE DICTIONARY (Merriam-Web-THE FRUGAL GOURMET COOKS
AMERICAN, by Jeff Smith

#### **BRIDGE**

By Alan Truscott

ONE of the most remarkable comeback performances in bridge history marked Vanderbilk Knockout

NE of the most remarkwas strong and artificial, and his partner's ten, and they was down four for 1100. I replay, the result was turning marked Vanderbilk Knockout

NE of the most remarkwas strong and artificial, and his partner's ten, and they was down four for 1100. I replay, the result was turning by East-West making the common of Team play at the Spring Nationals of the American Contract Bridge League in Buffalo,

New York. Matthew and Pamela Gran-York, and Steve Weinstein of Upper Montclair, New Jersey, seemed doomed to elimina-York, and Steve Weinstein of Upper Montclair, New Jersey, seemed doomed to elimination. With 16 deals remaining they trailed by 60 imps against four reigning world champions. But they continued to fight, exactly 60 imps were recovered, and Granovetter won the 12-deal playoff by 54 imps. Stewart and Weinstein were outstanding in the Granovetter took the club king, cashed the comeback to which the dia-

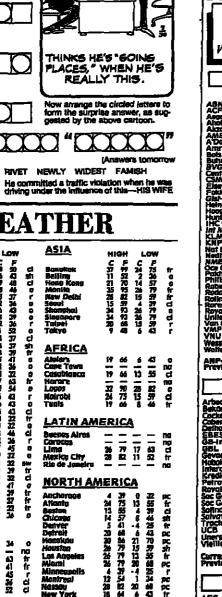
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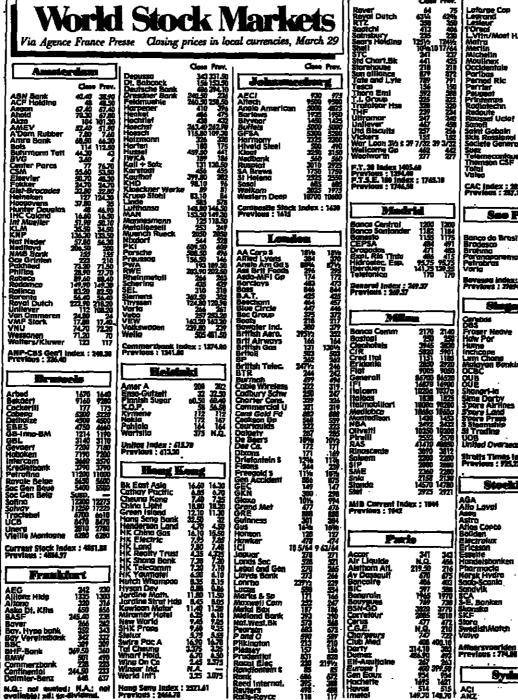
a strong suit. The double showed moder- team gained 12 imps. ate values, and hinted at a bal-

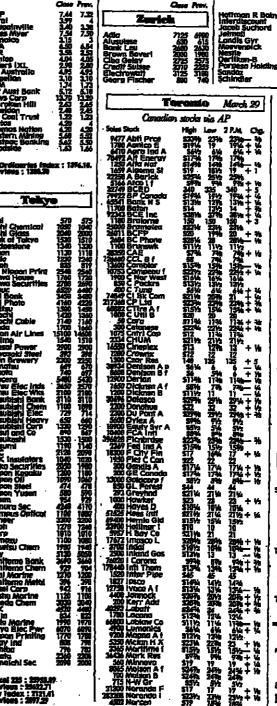
anced hand so Stewart passed. South no doubt thought he but he was disillusioned. East

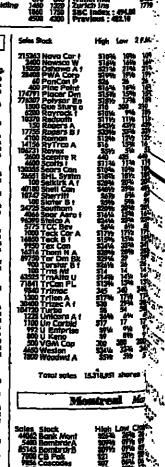
gramed deal contributed, heart East ruffed with the Stewart's one-club opening nine, an uppercut to pro-was strong and artificial, and his partner's ten, and ther tricks, and the Granov

**◆ 07653** ₽882 **09754** ♣AQJ762

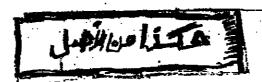








To Our Readers Canadian stock market are missing from this edition



15-30 without him. He's the cata-

Teddy Higuera and Juan Nieves

DETROIT

Last year: 98-64, first in league.

The starting pitching (Jack Mor-

Last three years: 269-216, third.

ris, Doyle Alexander, Frank Tanana and Walt Terrell) still may be the

league's best; a lineup that includes

Alan Trammell, Darrell Evans and

Matt Nokes will score runs; and a

defense that was already good has added one of the best-ever defensive

But the Tigers lost Kirk Gibson

to free agency, which doubtless means fewer runs; how many fewer

• Last year's Tigers outscored the opposition by 181 runs over the first five innings but were out-

BALTIMORE Last year: 67-95, 13th in league.

The Orioles are nothing if not

different. Seven of the 10 pitchers

weren't in the organization a year

ago, and the 24-man roster includes

Il who weren't on the team last opening day. Starting pitchers Mike Boddicker,

Mike Morgan, Jose Mesa, Mark Thurmond and Scott McGregor

have had an excellent spring but they were 25-40 last season. The bullpen looks more than adequate.

And the infield of Rick Schu, Cal

Last three years: 223-262, 12th.

will determine how far they go.

center fielders. Gary Pettis.

scored by 20 after that

## **SPORTS**

#### Amid Conflict, African Cup Spawns Hope LONDON - The French conction with darkest Africa is at st unleashing a threat to soccer one Europe and Latin America. After watching Cameroon win the ith African Nations Cup in Casa-

OKS

ance on Sunday, I promise never the continent of tomorrow. I Cameroon's "indomitable lias" hold on to the services of their ve players from French clubs and minuc under the tuterage they they they team anywhere.

African naïveté is disappearing s surely as a setting sun. Only two f eight finalists displayed un-orldiness — Kenya, which reived the fair-play trophy as con-plation for taking the heaviest eatings, and the occasionally deghtful Ivory Coast, the only team of under foreign coaching.

Cameroon won by being best, numpion of 500 million people by utighting Morocco in a savage plasting Nigeria in the most sorting finale I can recall.

Soccer is vital to the African cause pinst apartheid. But, alas, the conneat splits three ways: Arabs to the rth, pure black in the center and hite domination in the south. Imagine the harm to African uni-

when Nigeria and Cameroon ere, in the semifinals, subjected to ruse of their anthems and skin sior in a part of the continent elcoming them as "African breth-

In Rabat, the Nigerians had to stand through the wrong anthem and then play against Algeria -- and against Moroccan boos, "Morocco doesn't play well against blacks" suggested a Nigerian. Their booing

is to intimidate our team." Instead Nigeria, adopting the 3-5-2 formation of its new West German coach, Manfred Honer, dominated Algeria, which clings to aging 1982 World Cup players. But Nigeria nervously surrendered the lead

#### ROB HUGHES

by abandoning technical mastery and eventually won, 9-8, on overtime penalties. After a harum-scarum 55-mile

(90-kilometer) bus ride from Ra-bat's modern stadium to Casablanca's equally impressive arena, I witnessed the same Arab vs. black

"Cannibals!" spectators yelled at the Cameroonians. "Cannibals!" "Their players provoked us, too," said Charles Ntamark, Camcroon's left back. Ntamark is the son of a law professor and holds a law degree himself. "They were saying blacks can't play."

Provocation begat violence. After five minutes, out of sight of the hapless Mauritanian referee, Cameroon's Andre Kana head-butted the Moroccoan sweeper, Monahid

The butt flattened his nose," said Halid Hoursan, the Moroccan team doctor. "Mouahid was out cunning. Nigerians swear Milla cold for 25 minutes. We know dived for the penalty that won Sun-Cameroon can play beautifully, but day's final. The referee, a convinc-

and boxing." There was brawling by 15 playin ever-decreasing circles.

(65 feet) by Cyrille Makanaky; it Nigeria by a cheater's penalty. was struck with such disguise that Badou Zaki, Morocco's world-rat-

ed golatender, was wrong-footed. The African may be losing amateurishness, but Makanaky, now with Toulon, retains improvization So too does goalie Joseph An-

tome Bell, who commuted between this tournament and duties for Marseille. Morocco once thought Bell was beaten, but he nonchalanreached behind his back to catch the ball one-handed.

But Roger Milla (of whom there is scarcely a French club that has neither owned or wanted him) remains the magnate. Relentlessly hacked by Morocco, Milla, 35, had tried to retire before, but Leroy The coach was right: Milla's goals won two games during the tournament. Wily and wiry, Milla

sion turns him on. Still he shows devastating and fashionably blue-smied — left, change of pace, still the predator's they followed. He made one ri-

may grow weary in his 14th inter-

national season, but the big occa-

Milla was tripped.

Emmanuel Kunde blasted the ers at a time, and a comic chase spot kick with awesome force. The when a Moroccan pursued Came-pity is that a penalty decided such a roon's diminutive Bertin Olle Olle battle of wills and of endlessly forward movement.

Cameroon won by transcending brutality with a rolling Brazilian loried Leroy for an hour and a half, style. The winning goal was volleyed low and hard from 20 meters Morocco by dubious tactics and The Moroccans baited him un-

mercifully. "A great coach," sneered one, "should show honesty and moral courage. Will you not admit your

team was always violent and you

prepared with the intention to in-

timidate opponents?" The accusers had not seen the Cameroonians training after the Morocco match. Their consciences were troubled, Leroy's especially he had not seen such violence in 32 games as Cameroon's national

Leory's style is open, direct, hu-mourous. He knows how to coax elements of European order into the African without destroying natural exuberance. He enjoys the

"I have condemned already the head butt," retorted Leroy. "I did not need to come here to receive any lesson in moral courage from As Leroy - blond, blue-eyed

they followed. He made one risposte. A journalist suggested he would not find things so easy with-



anyway, because you do not find such a player on a street corner."

## Finally, Blue Jays May Enjoy One Whole Season in the Sun

By Richard Justice Washington Post Service

WASHINGTON - It's March the Toronto Blue Jays' favorite month. It's the month when they're the best team in the American League — the most pitching, the best defense, the most runs - the month when they're so rich in talent it seems almost nothing could ruin their season.

But something usually does. Over the last five years, the Blue Jays have had as many championships (one) as embarrassing collapses (one).

Which remains the only doubt about the 1988 team, whose season will start Monday against Kansas City: Does it have the calmness, Lloyd Moseby.

Lots of people agree. Toronto's starting rotation was 62-44 last year and has added a healthy and happy Mike Flanagan. Its bullpen had the

281-204 over the past three years is tops in the league. George Bell, Jesse Barfield and Tony Fernandez are legitimate superstars. Bell's switch for Sil Campusano, Willie Upshaw's sale to Cleveland opens the door for the young platoon of Fred McGriff and Cecil Fielder (between them last year, 34 home runs and 75 runs batted in 470 at-bats).

The starting rotation of Jimmy Key, Jim Clancy, Flanagan and Stieb may be the league's best, and a bullpen led by Tom Henke and Mark Eichhorn is solid.

Last season, Toronto allower 50 unearned runs, fewest in the major leagues.
NEW YORK

Last year: 89-73, fourth in league. Last three years: 276-209,

If Manager Billy Martin has con-trol of himself, New York may be unbeatable. But the Yankees haven't played a postseason game since 1981. The biggest key will be keeping Rickey Henderson healthy, which would make the offense the best in the game no matter how many games Jack Clark plays. Like Henderson, rookie cen-ter fielder Roberto Kelly seems capable of 100 stolen bases.

The questions are in the starting John Candelaria is 34; in May, Rick Rhoden will turn 35 and Tommy John 45. Richard Dotson has had four straight losing seasons.

New York used 113 batting orders and 15 starting pitchers last season, both major-league highs. BOSTON

Last year: 78-84, eighth in ague. Last three years: 254-231,

The Red Sox went from a pen- his 10-year career). Milwaukee was nant in 1986 to fifth place, but have 76-41 when he started last year and laid nice groundwork for 1988.

Dwight Evans has moved to first lyst on a team that finished second base. His replacement in right field, in the league in runs (862) despite Mike Greenwell, has become a star. Brady Anderson, a 24-year-old being 13th in homers (163). speedster, will start in center field are solid starting pitchers, but Bill (Ellis Burks is on the disabled list). Wegman, Chris Bosio and Mike Young strongman Sam Horn settles in as a DH. Wrap those kids into a Birkbeck have never showed consistency in the majors.

• The 1988 Brewers were the lineup that has batting champ Wade Boggs and Jim Rice, add the return first team ever to have 12-game of a healthy Rich Gedman and the Red Sox look terrific. streaks - winning and losing.

#### AL EAST PREVIEW

The question, as always, is pitching. Reliever Lee Smith comes over toughness or whatever it is that's ing. Reliever Lee Smith comes over been missing? And will there be from the Chicago Cubs; his 36 any residual effects from last sea- saves last season were 20 more than son's 0-7 finish, which cost the Jays all of Boston's relievers combined. a 4½-game lead with seven to play? But Smith blew 9 of 13 one-run "None," snaps center fielder leads, and has occasionally looked far older than his 30 years.

The starting pitching's strong Roger Clemens, Bruce Hurst and Dennis Boyd — but it was plagued by injuries and illness last season. The 1987 Jays were 96-66, the league's second-best record; their baserunners per nine innings. Leafur 281-204 over the page them. major-league highs.

MILWAUKEE Last year: 91-71, third in league; Last three years: 239-245, seventh. It was easy to be a Brewer last season — a 13-0 start, Paul Molitor's 39-game hitting streak - when the building of a great young farm system finally paid off and a 77-84

loser became a 91-71 contender. For the most part, the Brewers are young and still improving. Top priority will be to keep leadoff man Molitor healthy (he has played more than 140 games only twice in

> and Bill Ripken and Eddie Murray should be as solid as any. The wild card will be how Manager Cal Ripken Sr., one of the few people not fired by Owner Edward Bennett Williams last fall, will handle the pressure to win.

 The Orioles have lost 23 consecutive series against Eastern Division opposition. They were swept 15 times last year, tops in the majors. CLEVELAND

Last year: 61-101, 14th in league. Last three years: 205-281, 14th.
Despite bringing 40 pitchers to spring training, the Indians will start the season with the same rotation that finished the last one: Tom Candiotti. Greg Swindell, John Farrell, Scott Bailes and Rich Yett. They were 25-44 with a 4.72 ERA

The every-day lineup is good, but there's every reason to think pitching will bury the Indians again. Cleveland starters failed to last five innings 51 times last season, tops in the majors.

(First in a four-part series. Next: Lloyd Moseby: No side effects. the American League West)

and still the predator's cumning.

"I'm not so sure Milla is finished," said Leroy. "He is a big friend of mine, and if I ask him in six months. 'Roger, I need you c'mon one more time for Cameroon,' I think he will play. I will try

#### Fighting Off a Litter of Wildcats **VANTAGE POINT/Tony Kornheiser** Kentucky match was getting rid of and five each from the Big Ten, more of 'em. From now on, to ACC, Big Eight and SEC. avoid the threat of redundancy, the For all the blathering about how WASHINGTON - Well, thank avoid the threat of redundancy, the selection committee should put all college basketball is so wide-open

od we finally got that Wildcats tuation straightened out. As it ood on Saturday morning, three of e NCAA basketball tournament's mal Four could have been Wildus. (And knowing what a perverse oup the Dookies are, had Kansas ate, Villanova and Arizona all ade it, the Duke Blue Devil would we shown up in Kansas City essed as a wildcat, too.)

I was rooting for North Carolina beat Arizona and sweep every st wildcat out of the tournament. nough already with wildcats. The vectest thing about the Villanova- one and wedge in six Big East teams

NEW YORK - Except for such obvious mismatches as

nized swimming, it is almost axiomatic that athletes who are

good at one sport tend to be

good at others. That is consid-

ered especially true for sports

that rely on similar skills, such as tennis and golf, both of which demand a measure of

There is new evidence, however, that it might not be as true

The evidence comes from the

first Tennis Magazine Golf Challenge, which was limited to

tennis pros who participated in

last week's tournament in Key

Although golf tournaments have been held before in connec-

tion with pro tennis events, this

was believed to be the first with

cash prizes — a total of \$10,000.

In addition to attracting partici-

pants, the idea was to see how it

would affect the games of play-ers unaccustomed to playing golf

Whether it was that or an

inherent lack of golfing skill,

the tennis pros turned out to be

duffers as they backed around

hand-eye coordination.

as had been thought.

Biscayne, Florida.

under cash pressure.

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LONDON

H)(,E

Wildcats in the same regional. Pity that 25 or 30 teams can win the poor Northwestern, which can't tournament, the Final Four has even make a Wildcat Final Four. two top seeds, Arizona and Oklatournament, the Final Four has two top seeds, Arizona and Okla-homa, and a No. 2 seed, Duke.

Assuming you're still there after the 9,468 games they played just to get to Kansas City, let's look at how effective the 64-team draw was. Advocates of the mob field claim it opens the door for underrated and unknown teams. But they char-broil humble conference winners like Cornell, Lehigh and Tennessee-Chattanooga on the seeding barbe-

tion, only four (including Tim

Gullikson, whose 81 won the

break 90. Of the rest, 12 scored

in the 90s and six finished in

triple figures with one, Glen Layendecker, carding a 121.

As high as the scores were,

they were minuscule by one in-dex: the number of balls given

as replacements for those lost,

or supposedly lost, by players hitting into the ubiquitous wa-ter hazards. Stu Schneider, who

were losing.

Winners so far? The Big Eight, with two teams in the Final Four, with two teams in the rinal rout, and three in the final eight.

Arizona's the other big winner, demonstrating emphatically by its pulverizing victories over Seton Hall, Iowa and North Carolina that **Tennis Pros, Nonversatile,** Still Show Hustle as Golfers

it is assuredly not another Pac-10 paper tiger. The more you watch Arizona, the more you are reminded of those balanced UCLA teams with Sidney Wicks, Curtis Rowe, Steve Patterson and Henry Bibby, NCAA champions between the Alcindor and Walton eras.

Only in the Midwest were the seeds

completely discombobulated, and there the emergence of Kansas and

Kansas State to contest a trip to Kansas City speaks mostly to the

adrenaline factor of becoming this

tournament's true home team.

How's this for choking? All season you read what a great conference it is — about how Indiana is the defending national champion, how Purdue has three great seniors, how time zones are represented. For the Michigan is unbelievably deep in first time since conferences were talent, how Iowa and Illinois blabers, how Iowa and Illinois blabers, and in the since conferences were extended multiple bids, three teams blah-blah. Meanwhile, none of them get out of the round of 16.

The Big Least gagged it up even more. Five of its six didn't even get

This year most of scorecard. into the final 16.

served as the tournament's ball boy, estimates he handed out 180 balls, not counting the six that each player started with. Since every ball hit in the We're looking at a vastly different Final Four than we're used to here at the confluence of the Big East and ACC. We're usually inundrink represents an extra dated with familiar faces. In the last six years Georgetown (three times), North Carolina, Duke, Vir-ginia, North Carolina State, Villanstroke, the scores should have been far higher than they were, unless as Schneider eventually ova, Syracuse, St. John's and Provifigured out, he had handed out more balls than the players dence have made the Final Four. Most of the other teams were well-Schneider recalled that every known entities, Indiana, Kentucky and Louisville are on national TV time he approached a group of players and asked if they needplaying each other at least 14 times each December, and Houston went three times with Akeem Olajuwon and the rest of the Phi Slamma ed any more balls, the answer was invariably yes. "Tennis

pros are known for liking to get things for free," he said. The tournament may have Jamma crew. The Final Four was characterized by repetition. From 1983 to 1985, 10 of the 12 teams came from proved, then, that tennis pros are the Key Biscayne Golf Course.
Of the 22 men who particiOf the 22 men who particibut three states - Kentucky, Texas and North Carolina - and the District of Columbia.



Kansas? O.K., Danny Manning — but who else can you name?

ps it s just an

time zones are represented. For the

#### SCOREBOARD

Transition

extended multiple bids, three teams in the Final Four are from west of the Mississippi River.

This year most of us need a scorecard.

How many Arizona games have you seen? How pale Steve Kert and Tom Tolbert seem in comparison to the only other Arizona basketball players I remember seeing on TV — Paul Westphal and Alvan Adams of the Phoenix Suns, who always looked like they'd come from an all-nighter at a tanning salon.

BASEBALL

American League

BOSTON—Assigned Pot Dodson, first baseman; Danny Sheaffer, carbier, and Rob Woodward, John Leister and Zoch Crouch, pitcher, to its minor league came.

CALIFORNIA—Signed Johnny Ray, outleider, to a centroct extension through 1999.

Assigned Dante Bichethe, outfielder, and Darried Miller, carbethe, outfielder, but the 15-day dissolited list. Released Jock Fimple, carbeter, and Mark Ryal, outfleider.

DETROIT—Assigned Larry Owen, outfleider.

DETROIT—Assigned Larry Owen, outfleider, to a centroct extension through 1999.

Assigned Pot Dodson, first baseman; Danny Sheaffer, carber, and Rob Woodward, John Leister, and Rob Woodward BASEBALL

Kansas? O.K., I'll give you Danny Manning. Who else can you name?

SEATTLE—Released Mike Truffillo, plicher, or the 22-doy disabled list. Assigned Phil Ouliette, curcher; Brick Smith. first basemon, and Oklahoma? Stacey King and Coach Billy Tubbs.

cotcher; Brick Smith, this international base heaped, outfielders, but Carlogry of the Pacific Coast League. Assigned Rod Scurry, pitcher, and Melson Simmons, outfielders, but its minor league come. TORONTO—Assigned Glenoilen Hill, out-My favorite line of the tournament so far came from Tubbs, who looks like the kind of guy you find

MREAS, currenter. To its minor league common TORONTO—Assigned Gienellen Hill, outsteller, to Syrocuse of the International League. Assigned Eric Velding, shortstop, to knowlile of the Southern League. looks like the kind of guy you find

wherever an ambulance pulls up.

LEAGUE
When Tubbs was asked if he was Hirscheek

### Hockey

## NHL League Standings

WALES CONFERENCE
Patrick Division
W L T Prs GF GA
danders 37 27 10 84 272 253
phin 37 32 7 81 276 278
ph 34 39 77 350 277
pers 34 34 9 77 257 224
sey 34 36 6 74 273 289
Asterns Division
tal 43 22 12 98 262 229
43 36 6 92 244 262
1 35 31 10 80 271 289

ecus; outlielders, to Albuquerque of the Po ic Coost Ledgue. Placed Len Majuszek, fleider-outlielder, on waivers for the purp of piving him his unconditional release. BASKETBALL

## Preseason Baseball

MONDAY'S RESULTS
Philodelphia 4. Tevas 3
Attorita 2, Hauston 1
Minnesota 4. Cinchreal 3
Toronita 5, 51. Louis 3
Los Angeles 8, Montreal 5, 11 innings
N.Y. Mets 5, Boston 2
Pittsburgh 5, Konsos City 3
Chicago White Sox 10, Deiroil 7
Seattle 13, Milwoukes 3
Cleveland 13, Chicago Cubs 6
Son Diego 6, California 4 imore 7, N.Y. Yankees 0 Francisco & Oakland 3

## Tennis

Renford 12-16-7-33.

Chicage 4 2 1 6-7
Minnesola 3 1 3 6-7
Chicage; Nylund (4), Larmer 3 (40), Suffer for, S109, 172.2, Martina Navrathova, S225,129.3 Pam Shriver, S170,500.4, Chris (7), Valve (43), Pressley (12); Schreiber (5).

Lawton (15), Hobscheid (4), Bellows (40), Clc. chris (15), Suffer (17), Lamber (15), Suffer (17), Lamber (17), Orbo 2 (13), Pepilmski (18); Gilmour (35), 7, Cloudia Kohde-Kilsch, e86, 8, Pathy Fendick, Hrico (11), Stafs en seet: St. Louis (on Vernan) 4-6-1a, Calgary (on May) 18-5-10-3a.

Baskethall

ATLANTA—Traded Jeff Dedmont, pitcher, to Cleveland for a player to be named later.
CHICAGO—Agreed to terms with Andre Davison, on a two-year contract, replacing his authorition contract.
CINCINNATI—Released Angel Salazar,

W L Pct. GB Boston 24 | FERCHMENT | FERC

Dollos 28 28 29-106
New York 28 25 32 29-106
Wilkins 11-15 4-4 29, Ewing 4-15 3-5 21;
Aguirre 13-2a 8-9 3a, Norser 7-12 6-6 20, Rebounds; Dollos 46 (Torpley 14), New York 49 (Cartheright?) Assists: Dollos 24 (Aguirre 7),
New York 28 (Jockson 10).

46 22 .676 — Houston 22 27 17 34— 98
43 26 .623 342 Philiadelphia 25 31 30 22—166
40 27 .577 575 Grainski 9-17 5-6 23, Robinson 10-27 2-4 22.
23 43 .559 8 Borkley 7-135-1022; Carroll 9-17-4-22, Short 625 49 373 2014 13-6-18, Rebounds: Houston 44 (McCray 7).
20 48 .294 26 Philiadelphia 61 (Barkley 13), Assistis: Houston 27 (Estate) 41. Philiadelphia 24 (Checks 9) 1719100 52 % .765 — 42 25 .627 9% 36 32 .529 16 22 46 .374 30 17 50 .254 34%

Defraif 29 28 29 14—108
L.A. Cliopers 17 22 38 23—102
Woodson 9-15 4-5 22, Norman 8-22 2-6 18;
Thomas 7-18 5-6 19, Johnson 9-17 9-2 19, Donley
5-158-10 18, Reboonds: Defroit 52 (Rodmon 1s),
Los Angetes 46 (Norman 14), Assists: Detroit

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worried about Villanova's defense,

he said: "You can't trick us, be-

cause we're not paying attention."

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1, Maris Wilander, 1,242, Pot Cosh, 1,238.3,

Dykstro (3), Mami (4), Kurri 2 (4), Tilskonen (21), Gretzky (29); Lonz (6), Olczyk 2

Andrel Chesnolov, 846. 6, Miloslov Medir, 821.

(41), Domotousse (11), Skets on goof: Edmonton (an Wresset) 9-9-10—28. Toronto (an Mresset) 19-9-10—28. Toronto

BASKETBALL

Notional Bosketball Association

LA, CLIPPERS—Signed Cloude Gregory,
torward, for the remainder of the season and
Stave Burit, guard, to a 10-day contract,
FOOTBALL

Notional Football League

KANSAS CITY—Signed Ran Manaco, Dan
MacDonald and Kurt Norman, Inebockers;
Pot Thetford, Hight end; Kuiven Jentins, running back, and Bob Standifer, detersive tockle.

HOCKEY

Notional Hockey League

HARTFORD—Signed Jody Hull, terward,
and Adom Burit, defensemen, to multilyear
contracts, Signed Marc Lafferge, defenseman, Agreed to terms with Peter Sidorklewicz, goothender.

klewicz, goaltender, LOS ANGELES—Recalled Eric Germain and John English, defensemen, and Paul Guay, wing, from New Hoven of the American

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40 27 to 90 310 257

34 36 8 70 272 284

30 39 9 69 778 320

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20 48 10 50 265 335

Pro Leaders

#### **OBSERVER**

## The Unhappy Hour

By Russell Baker

EW YORK - Evening. The cocktail hour they used to call it. We used to drink martinis and listen to the great Erroll Garner on the phonograph. Well, they used to call it the phonograph. It played records. Records were big, circular-

. Well, never mind. "Remember evening?" I said the

"Used to call it the cocktail hour," she said. "Martinis and Erroll Garner on the synthesized multi-speaker and amazingly accurate sound system."

"No," I said. "It was just the phonograph.

"Oh yes. I'd forgotten. Erroll Garner records. So lovely. "Then was then," I said. "Now is

That was my philosopher's way of saying I don't drink martinis at news. We used to listen to the news. That's right, listen they used to call it. You did it strictly with the ears. only not deafenissimo as it was done after Mick Jagger came along. "Let's let Erroll Garner break for

a smoke and listen to Howard Smith or Eric Sevareid tell us what's going on in the world," we used to say.

Then was then, now is now, so now I pushed a button, and the watchable news started with background music, as if it intended to be a movie. A watchable man read the usual terrible news from South

"Things are as awful as ever in South Africa," I said, only because I knew she would say, "You know we shouldn't," if I said, "Why don't we skip the terrible-as-usual news from South Africa, try to get the old phonograph working, put on some Erroll Garner and have some

"As awful as ever in South Africa?" she echoed.

"Doomsday is inevitable." The watchable man said, Ha! if we thought South Africa was depressing, what about Northern Ireland? He just happened to have some pictures freshly arrived from there: coffins, people being beaten to death, that sort of thing.

"Situation hopeless in Northern Ireland," I said, adding, "also in Israel, which seems to have a fatal case of Northern Ireland envy.'

rael, Northern Ireland and South Africa will always be hopeless," she said, "is no reason to start yearning for martini days when the big worry in the news was whether Americans could solve their leisure-time problem. Strength! No gin."

Did I say I wanted a martini? Surely not. I had been watching the daily AIDS story about people without hope dying wretched deaths heroically while doctors issued their nightly assurance that there was no hope in sight.

Then, something fresh in grim medical news: "They're doing Alzheimer's disease," I shouted to her in the next room, where she had retreated to sob in despair.

I urged her to come look at the depressing pictures of people who would soon be dead unless some vital Washington civil servant liftsundown anymore. I watch the ed his ban on an experimental

> "This is the strangest TV news I have ever seen," she said. "They're suggesting that people might live if they can get the necessary pills. They're saying that not everything on earth is absolutely hopeless."

> I explained she was missing the point, which was that of course the situation was absolutely hopeless since vital Washington civil servants never lifted bans until after years and years of paperwork.

The watchable man pressed on: If the Alzheimer's, AIDS, South African, Northern Irish and Israeli news hadn't driven us to the cyanide, what about the latest on homeless Americans? (Monstrous situation is hopeless and sure to get worse, official experts agree.)

"Is a paring knife suitable for opening a vein?" I asked, as the picture switched to the nightly reports on the illegitimate-birth caastrophe and the takeover of the whole world by savage crack dealers. "Are you mad?" she cried as she saw me reach for the gin and

"Not mad," I replied. "Just determined to make the most of what I yet may spend before I, too, into incontinence descend."

When they used to call it the cocktail hour, they used to say, Cheer up, things could be worse. Now the martini is gone, and they

New York Times Service

## Han Suyin, 'Creative Schizophrenic'

By Mayis Guinard

T AUSANNE, Switzerland - Despite 17 books, some of them best sellers, Han Suyin insists she is not a writer. "Medicine is my career. I became a writer by acci-

In 1952, she became known for her semiautobiographical "A Many-Splendoured Thing" the affair of an Eurasian doctor and a British correspondent set in the politand a bridgin correspondent set in the political turmoil of Hong Kong and China. At the time when girls kissed but didn't tell, the passionate, frank love story was printed in 17 languages, inspired a tear-jerking film with an even more teary theme song. "When my teen-age daughter saw Jennifer Jones in the movie, she wept buckets and was finally proud of me. I was never shown the script.

In her later autobiography, Han Suyin tells that after the journalist was killed in Korea, his letters begin to arrive one by one for three weeks. "When I knew no more would come, I put a sheet of paper in the typewriter and began my story."

Dr. Han is a dynamic, trim 71. She has turned to her typewriter many times. "Not when I ached. When you really ache, you don't write. You wait until its over, then you write. I have always been busy, there was no time for self-pity. All hearnaches had to be put up with, chewed, digested until I could deal with them."

"I do not consider myself a writer. In my books, I tell of things that happened not to me-me-me but because I was in a particular place at a particular time. This brings the larger, the historical dimension. What I have endured, I have considered not unique but worth recording because others might have lived the same experience and not been able to put it into words. I am a witness. Even to myself."

She sees herself as "a hardworking, capable, creative schizophrenic" coping with two realms of emotion and intellect. She was born Chou Kuang Hu in Beijing on Sept. 12, 1917. Her father was one of the first Chinese students sent abroad to study engineering to build China's first "iron

He brought back a Belgian wife who had dreamed of silken exotic life, but frustrated by primitive living conditions, kept a bag cked under her bed and is shown in a state of constant rage, particularly at her daughter, the straight haired "Ugly One." "Mother knew so well how to wound me." Some of her mother's hot temper can be guessed just by watching her explode over some current injustice.

The Eurasian child grew up keenly aware of the misery around her and rebellious. "At school, the sisters told me there were three races, the white with the largest brains, the yellow, and the black who had

the smallest. I thought if I who am half yellow have such a small brain, how is it I am always the first in a class with white

Han Suyin leans back with a pleased grin that suddenly lights up eyes so tired they seem bruised. She nurses a porcelain beer mug and explains: "I had a scientific mind, I fiercely wanted to become a doctor, heal people." She did pre-med studies in Yenjing and Brussels universities, returned during the Chinese-Japanese war and fought for her right to become a doctor all through an unhappy first marriage with a Kuomintang officer. After he was killed in the civil war of 1947, she went to London to finish her medical studies with her adopted daughter, Yung Mei, returning to Hong Kong, then Malaya, to be as close as possible to her own country. "I practiced for 15 years. But then I had to choose. For years, I managed to be a doctor by day, a writer by night. It was a very fulfilling experience but limited me: I had to be at my clinic, look after my patients."

"There was something I considered more important. When I went back to China after the Communist revolution of 1949, all was different. I had to learn my country all over again. I had to understand. I needed time to travel, to research, to lecture. I had to explain."

Using her own life as a peg, questioning families, friends, and experts, she began "The Crippled Tree" (1965), the first of a five-volume autobiography that is also a story of ancient China and the emergence of modern China. In this series, "A Mortal Flower" and "Birdless Summer" were completed by 1968, 'My House Has Two Doors" and "Phoenix Harvest" by 1979.

Her bluntness drew fire from both sides. At one time, she could not go to China because she was considered an American spy, while she could not obtain a U.S. visa as a "Communist sympathizer."

Han Suvin can now travel with no restrictions — except to South Africa. "Everywhere is my home and nowhere is my home. All I do is adapt. People cling to a neolithic idea, this is my cave, this is my home, this is where I belong. No one belongs anywhere. There have been 15 million persons displaced by World War II. I am lucky, I speak three languages, can eat any kind of food, have friends all over." Her sister Teresa and her daughter Yung Mei are in the United States, her brother in France. A second marriage took her to Singapore.

"I stopped thinking the world was divided between China and the West, I saw another culture." This spurred a novel on Malaysia "... And the Rain My Drink" (1956), another on Cambodia, "The Four Faces" (1960), but ended in divorce. Her



Dr. Han Suyin, "a writer by accident."

present husband, Vincent Ruthnaswamy, a retired colonel of the Indian Army, not only stands by her and does the cooking, she brags affectionately, but has brought her into the warmth of his extensive Indian family. In her latest book, "A Share of Loving" (1986), she describes the care they gave to a handicapped son.

Her books are no longer banned. "Most of my books are now published and read in China." When in China, Han Suyin feels free to speak out. "I am privileged, I never belonged to the Communist Party. I am a bourgeois, a capitalist, living outside China. I never take sides."

This cool, realistic stance kept her out of China during the Cultural Revolution. "I just point out practical things: the need to monitor for AIDS now that tourists are coming to cities like Shanghai and Beijing. the need to teach English more efficiently. I taught English last September in Lanzhou University. I told the other teachers, There's no need to waste two years on grammar, there is no time, English is needed to read technical, scientific books, not Jane Evre.'

She tries to explain West to East. "The students only see films where young Westerners have a good time, kiss, make love and never seem to work. They are bewildered. I explain that films are not reality, everybody has to work in Europe and America, that my apartment in New York was repainted by a lawyer and a computer expert. They had decided to take a vacation from computers and law and paint apart-ments. They did a wonderful job. Chinese fairs.

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intellectuals, as in the past, still have this problem of looking down on manual labor. It is not for knowledge bearers. I have set up a fund to help Chinese scientists to study in the West and Western scientists to go to China but I tell students they should not rush abroad. They should go out and do some work in China, know their country, then go abroad. Students were sent to rural areas during the Cultural Revolution but that went to far. They missed out on years of education. Now the pendulum has swung back."

She suddenly flares up. "China is an old country with old prejudices. Despite the new laws, there is still discrimination, 80 percent of women university graduates cannot find jobs, in the country there are forced marriages, cases of girls infanticide because of the one child rule."

In Lausanne, where she lives part of the year, her living room is white and spare from the modern sofa to the steel and cane chairs. A few handsome Chinese scrolls could be rolled up and packed in a jiffy. Only the huge rubber plant might be a problem. Possessions don't seem to weigh ber down. When I finish a book, I put all my papers in a box and send it, at their request, to Boston University. They have 186 boxes now."

Reference books are piling up again on the round white table, a stylish new Olivetti is on the desk. "I have its twin in New York, I don't use a computer, I type pretty fast, then my sister does the retyping." A new work is in progress, the life of Zhou Enlai which she finds hard to do because in China no one wants to hear any criticism about him but he also made some mistakes. For history to be correct, he must be a man, not a legend. I must get back to work. I promised it to Jackie Onassis at Doubleday for the end of the year."

Research and interviews will take her to China and Vietnam. At 71? "You only have one life and you have to use every moment. Death can happen anytime. Every day you must prepare for it. But I want to finish this book: now that things have quieted down, I want to find out about the relationship between Zhou Enlai and Ho Chi Minh, about Chinese aid to Vietnam. I want to meet Viet historians, ask questions. Now is the time to ask."

Suddenly looking very much the Chinese sage, she adds: "All catastrophes have another side. Even that terrible tornado, the Cultural Revolution, forced the Chinese Communist Party to rethink everything. It is hard, hard to pay for lessons like this but one must understand. I have seen so much good that came out bad, so much bad that came out good."

Mavis Guinard is a journalist based in Switzerland who specializes in cultural af-

#### **PEOPLE**

Alaska Columnist Wi With Fake Hemingue

"It was now morning, and hin the bathroom shaving sh for the first time that day, be the last; no, never the last," these and about 350 other w Gordon (Satch) Carlson, an E teacher and newspaper colu in Anchorage, Alaska, wo 11th International Imitation ingway Competition at Harry & American Grill in San Fra with his winning parody of th Ernest Hemingway's prose author Barnaby Conrad, one judges, said Carlson's entr qualities lacking in others, r a beginning, middle and a the Hemingway cliche, ar. pun." The last paragraph of son's piece read as follows turned, lifting her thin An lip over those thin, white, American teeth, and tha American sneer, 'It's only Adams, she said,

With the help of the fil Tony Curtis. Hungary's community plans to raise \$ lion needed to restore E largest synagogue, in Bu Work on the 130-year-old b weakened by World War II neglect and recent severe has already begun with a \$5 contribution from the Hu government. Curtis. whoswas born in Budapest, he Emanual Foundation set uthis month in the United S publicize the restoration and seek contributions. Hu Jews have commissioned th tor Imre Vargas to design with 40,000 metal leaves. which will bear the name son who died in conce camps. For a minimum Jews abroad will be able to permanent reminder of fr relatives who perished.

Sophia Loren, wearing a labeled "Sophia," visited land to help publicize a § Liberty-Ellis Island For fund-raising effort, the A Immigrant Wall of Honor cans who pay at least \$100 the names of their immig cestors inscribed on a plawall. The actress was acco by Lee Iacocca, chairman Chrysler Corp., who said t dation needs at least \$15 m complete renovation of it gration station as a museu

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